The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Roosevelt's Pan-American Conference and U.S. Policy in the Far East

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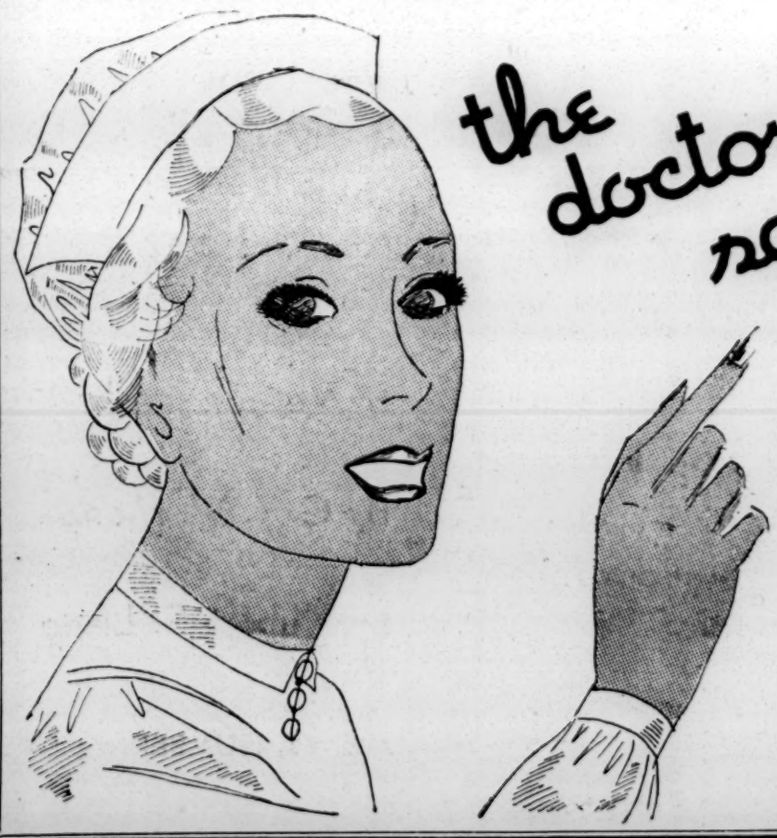

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OIL SMOOTHES NO WATERS OF FAR EASTERN TROUBLED SEAS

RECENTLY there have been reports from various quarters indicating the sharpening of the international conflict in the Far East on the oil front. The *Living Age* for July published extracts from the *News Review*, London, stating that the Soviet Russians may either cancel the lease or greatly increase the price of oil which the Japanese are obtaining from northern Sakhalin fields under their concession which is now up for renewal. It was claimed that oil production from the Sakhalin fields now amounts to 250,000 tons of high-grade oil annually, most of which is sold to Japan at comparatively low rates. Gen. Blucher, Commander of the Soviet Army in the Far East, who requires much oil for his air-armada and vast fleet of tanks and other mechanized military equipment has demanded the cancellation of the Japanese drilling concession on Sakhalin. It is understood that War Commissar Voroshilov has added his support to the Blucher demand and the question has been put up to Stalin to decide.

Evidence supporting the viewpoint of the Soviet military leaders was contained in the July *Far Eastern Survey*, issued by the American Council, Institute of Pacific Relation which showed that within recent months the Soviet Union had purchased more than 400,000 barrels of aviation gasoline from the United States, all of which had been shipped from West Coast ports to Vladivostok and shipped inland for storage at various points. The report stated that despite the construction of large refinery at Khabarovsk, which refines Sakhalin oil shipped up the Amur in the summer season, Far Eastern Siberia is still a deficiency area. A second refinery may shortly be constructed at Vladivostok, the great increase in oil consumption being due to intensive development of mechanized agriculture, fishing fleets, sea and river transport and commercial aviation. Whether or not the Soviet authorities decide to cancel the Japanese drilling concession on northern

Sakhalin probably will depend upon whether Gen. Blucher and War Commissar Voroshilov consider Soviet defenses sufficiently strong to resist a Japanese attempt to seize Sakhalin by armed force.

From Sakhalin southward the oil front is even more disturbed. In China's former Manchurian provinces, now the puppet state of Manchukuo, the Japanese have set up an oil monopoly which forced the large American and British companies to withdraw from the field at heavy loss to the said companies, Standard-Vacuum and Texas and Asiatic Petroleum, the last named being a subsidiary of Royal Dutch Shell. The Japanese have established large refineries at Dairen and in Korea where they are now said to be turning out sufficient gasoline and kerosene for Manchuria's requirements from crude oil purchased from independent companies, chiefly Union Oil of California. Now, in addition to their losses in the Manchurian provinces, the Anglo-American concerns are faced with further losses due to Japanese smuggling in North China, the Japanese smugglers obtaining their supplies from Manchuria and Japan proper and bringing the oil into China by way of the puppet East Hopei zone which is controlled by the Kwantung Army.

According to a *United Press* dispatch from New York, published in the *North China Daily News* on July 28, Anglo-American oil interests are becoming seriously concerned at Japanese activities which threaten a disruption of oil markets controlled for many decades by American and British interests. The disturbing elements are Japanese smuggling into North China and the recently enforced "Japanese Petroleum Control Law" which requires oil companies to maintain a six months' supply in storage at all times in Japan. The object of the law was to provide Japan with an adequate supply of oil in case of war, the Japanese intention being to seize the stocks in the event of complications with a foreign power. The foreign companies were not enthusiastic over being compelled to supply Japan with oil stocks which might to used against them in the event of war, but particularly did they object to being compelled to maintain enormous stocks at their own expense. As a result they have threatened to greatly curtail their activities in the Island Empire. As to the smuggling situation, officals of the foreign companies expressed fear that the China market, which consumes some 22,000,000 cases of kerosene and gasoline annually, may be lost unless some method can be found to compel the Japanese army to curtail the illicit trade conducted under its protection. A Chinese report from Tientsin on July 28 stated that 2,100 cases of petroleum were seized by the Chinese customs authorities on July 26 and 27, but the Japanese consular officials had demanded release of the product and had taken no action against the Japanese ronin and Koreans involved in the smuggling operation.

JAPAN NONPLUSSED AT UNIFICATION, SAYS CHIANG "PERSONA NON GRATA"

JAPANESE military officers, according to reports in the Tokyo newspapers, claim that Gen. Chiang Kai-shek has become "dazzled" by his success in overcoming Canton's opposition and as a result has again adopted an "insincere" attitude toward Imperial Japan. At a meeting of high Japanese officials, including representatives of both War and Navy Departments, held on July 22, the War Department presented a strong indictment of the Chinese Generalissimo and as a result declared him to be *persona non grata* (non-acceptable personage). The Japanese military authorities were particularly embarrassed because the Canton warlords gave up without a struggle after the Japanese military authorities had broadcasted to the world, through their semi-official *Domei* service, that civil war between Nanking and Canton was not only inevitable but actually had started on June 2 (see issue of *The Review* for June 6, Page 5).

The indictment against the Nanking politico-military leader, according to a summary of translations from the Japanese press published in the *Japan Chronicle* on June 23, placed at the top of the list the allegation that Gen. Chiang "had used 200,000 troops and expended enormous sums to 'coerce and buy' leading figures of the Canton group." Also, Gen. Chiang had organized an anti-Japanese "alliance" with the object of instilling anti-Japonism in the public mind. In Chekiang province he is steadily and vigorously pushing defense measures with the declared object of war with Japan. Then, finally, the Nanking Government had signed contracts with both America and Germany for the purchase of large quantities of arms, which war measures Japan regarded "in a serious light."

And, since troubles do not come singly, the Japanese warlords also pointed to the fact that Outer-Mongolia had now become an outpost of Soviet Russia—under a recently concluded military treaty—and in addition there was the matter of Soviet military defenses along the Far Eastern Siberian border. All these circumstances constituted a serious menace to both Manchukuo and Japan—necessitating still larger military appropriations—hence it was necessary for Japan to "take effectual measure to meet the crisis. The Tokyo newspaper *Miyako* in commenting on Japan's latest international worries, listed China's alleged arms-buying treaties with America and Germany and added another, a secret treaty with the Soviets. This pact, according to the Tokyo journal, was aimed at Japan and under it China would connive at the "eastern advance of com-

munist ideas." Referring to the alleged loan agreements the *Miyako* said that China always promised not to use the money in civil strife but this was a "transparent ruse," and furthermore, "Japan should always be a partner in any loan to China . . . Japan is best informed about conditions in China, therefore all loans to China will prove useless or positively harmful unless Japan is consulted . . . to make loans to China to supply her with funds required to put up resistance to Japan would be a most outrageous act."

The Tokyo report through *Reuters* service on July 22 to the effect that Japanese policy toward China "will inevitably grow stronger if the Central Government ignores Japan's special position and continues to play off one Power against another," stirred up so much commotion that the Japanese have unofficially denied the report, according to a statement in the *Shun Pao* on July 27. However, *Reuters* report which was published in Shanghai did no more than repeat statements which had appeared in practically all of the Tokyo newspapers following the conference of representatives of War, Navy and Foreign Office. The *Reuter* report, after citing Japanese reaction following the exaggerated reports of the Sino-German and Sino-America loan aggreements, quoted Japanese officialdom as declaring, "The Chinese Government would be well advised to show its sincerity by solving the North China imbroglio in a manner acceptable to Japan." The *Asahi Shimbun* (July 22) declared that the conclusion of the Sino-American and Sino-German loan agreements had caused the relations of Japan and China to become "very delicate." The situation in North China was developing favorably and the Japanese Government was prepared, following the entry of Wang Ko-min into the Hopei-Chahar regime, to solve the smuggling issue by means of tariff reduction on Japanese goods, and also to negotiate concretely on railway construction and general economic cooperation. Both the Foreign office and Army had issued instructions to their representatives on the spot. But Gen. Chiang's success in settling the Canton crisis had so strengthened the "Chiang Regime" that the situation in North China had been adversely affected. Nanking has adopted an insincere attitude; hence the Japanese Government had decided to adopt a 'wait-and-see policy' and watch what China would do next . . . Japan intends to seize the first opportunity to definitely urge China to reconsider her action." In another comment on the alleged Sino-America loan, the *Asahi* referred to the denial issued by Dr. H. H. Kung, Finance Minister and suggested that Dr. Kung probably was not familiar with the terms of the (arms) agreement "which had been negotiated by S. K. Chen and Julean Arnold, U. S. Commercial Attache." The *Nichi Nichi Shimbun* also reviewed Japan's various grievances in China and declared that Japanese military circles were "much aroused." Finally there was the *Domei* report from Tokyo on July 26 which quoted Japanese military officers as stating that it was regarded as "inevitable that Gen. Chiang would interfere in the activities of the Hopei-Chahar Political Council as soon as the Southwestern crisis was solved." To this should be added the comment of the *Shanghai Mainichi* that the settlement of the crisis with the Southwest had caused Gen. Chiang Kai-shek to take effective measures "to break up the efforts of North China authorities to effect Sino-Japanese economic cooperation . . . special attention must be given to the new policy of Gen. Chiang in North China."

Roosevelt's South American Peace Conference and the Far East

IN the past few months occasional news despatches have been printed in local papers stating that President Roosevelt is preparing for the convocation of a peace conference in Buenos Aires. Little light has been shed on the purposes of this conference save that it will be aimed to further cooperation between the North and South Americas.

It appears now, however, that the Buenos Aires conference may have a major effect upon America's policy in the Far East and hence its implications cannot be passed over. The main implication is that the conference may result in a united North and South America in a solid bloc against Japan.

The peace conference is obviously no idle conception of President Roosevelt and his advisers but essentially grew out of the Abyssinian war, European war threats, and from the unmistakable portent of Imperial Japan's encroachment upon China. These perhaps seemingly isolated events are nevertheless bound tightly up and this is clearly realized in both Washington and Tokyo, especially the latter. Japan, as already pointed out in the July 11 issue of *The Review*, has to face trade restrictions from 49 nations. The havoc this has played with Japanese trade is clearly known and one of the results is Japan's forcing China to submit to becoming her dumping ground.

Much as Japan has worried about trade restrictions in past, the Abyssinian war and the subsequent application of sanctions against Italy came as a bombshell to Tokyo's industrial barons and their government puppets and nowhere was the

Italo-Abyssinian dispute *re* sanctions followed more closely than in Japan. From a superficial point of view, it might be argued that on the whole Japan had reason to rejoice in another breakdown of the League which *de jure* if not *de facto* condoned Italy's action in Abyssinia, mainly, as in the case of Manchuria, because of Britain's unwillingness to take decisive action. But the real implication, realized by Japan, was different: it was her first serious consideration of the fact that the restriction of imports to Japan by other nations, in other words, a boycott, would cause Japan's economic structure to crumble like a house of cards and make the nation impotent. For Japan is lost without raw materials and markets and China alone, even with its potentialities, could not replace Japan's other foreign trade. Whether they did or not, there was ample reason for Japan's masters to lose a few nights of sleep when news of Roosevelt's proposed conference was announced. For here was the first concrete indication of the possibility of the reality of their greatest fear: an unrestricted trade boycott.

Up to now, it has been pointed out that America's policy in the Far East has been distinguished by the fact that it consisted of no consistent policy. Washington adhered to the Stimson Doctrine, the Open Door Policy, and the Nine-Power Pact and in that respect made her position clear. But this policy was never manifested other than in words. Hence it appeared that the United States, especially in the light of granting the Philippines provisional independence, was not going to insist on the rights of her interests in the Far East other than by words. This policy has been termed by many writers, notably Nathaniel Peffer as one of pure bluff. Other writers have emphasized that while seemingly the United States leaned over almost backward in the Far East, Mr. Roosevelt said little but sponsored the largest Navy the United States has ever seen.

Be that as it may, it is clear now that the United States is concerned at present equally with Europe and the Orient, and perhaps with greatest emphasis on the latter. And this concern has led to the Buenos Aires Conference.

The once obscure aims of this conference are now clear. The United States wants to keep neutral as far as European events are concerned and to do so must try to persuade Latin American countries to take a similar stand. The other equally-important aim is to line up Latin-America against Japan in the event of a boycott of the Rising Sun.

One of the most reliable Washington commentators, (T.R.B.) writing in the June 24th issue of the *New Republic*, gives an excellent analysis of the Buenos Aires peace conference. The clarity and importance of his observations are well worth presenting here, in part:

> "The Buenos Aires peace conference, the agenda for which is now being perfected, may prove to be a turning point in American foreign policy, he writes. "It has been given a new and sudden importance by the threat of war both in Europe and the Orient . . . . . It is also felt that we would be immensely strengthened in dealing with a belligerent Europe if we had the whole hemisphere arrayed behind us . . . . .
>
> "There seems to be a minority (of administration advisers) that is not concerned with Europe but with the Orient. Their purposes are very different. They were greatly impressed, last October, by the League's boycott of Italy, and have been considering the feasibility of a boycott against Japan. The relative failure of the Italian boycott has not discouraged them. They point out that there were no important commercial interests in Ethiopia, and, for that reason, the business men of Europe were, on the whole, opposed to sanctions. But if Japan should conquer and garrison China—and highly placed American diplomats believe that Japan would like to do exactly this—very large British, American, and French business interests would be jeopardized. As long as Japan's action was against China rather than Soviet Russia, big business could undoubtedly be counted on to support sanctions of a farreaching character. The United States, the British Empire including India, the Dutch empire and Latin America are Japan's great overseas markets. England controls the Far Eastern policy of the Netherlands; the United States could control the policies of Latin America; England, and the United States, acting together, could destroy Japan's foreign trade. It would be a far more potent weapon against Japan than the American and British fleets.
>
> "State Department officials who have considered the question of sanctions against Japan grimly refuse to discuss whether battleships would not be needed in the end. They admit that a boycott would almost certainly lead the Japanese to seize the Philippines and the British colony of Hongkong. But, they say, if Japan makes all China into another Manchukuo, it will march on to seize the Philippines and Hongkong anyhow, and after them the Dutch East Indies, Siam, and conceivably India. Meantime, Japan has suddenly become aware of its vulnerability to sanctions . . . and this seems to have had a sobering effect on Japanese business men, although not on the military.
>
> "Perhaps talk about a world boycott of Japan need not be taken seriously at the moment. In a year or two, it may. But it is important to realize that the Buenos Aires conference has two distinct aspects. From one point of view, it is a far-sighted effort to keep this hemisphere out of war in Europe. From another, it is an attempt to mobilize this hemisphere against Japan. In this duality, the administration's plan of an understanding with Latin America resembles all other alliances. All are for defense and peace, and equally all are for war."

The writer of the foregoing lines is correct in stating that a boycott would be more effective than fleets. He is not definite enough in referring to Japan's *fait accomplis* in China, however. Various large foreign business interests in China are already seriously menaced, by Japanese competition both fair and unfair, and mostly the latter. What of the smuggling which has been rampant, it should be noted, for the past three months and which is continuing unabated? It is no longer a question of the possibility of foreign interests being menaced, they are now not only menaced but seriously affected.

And another point which must be brought out, as was elaborated in the previous article in *The Review* that the beginnings of a boycott against Japan have already started. In connection with the Buenos Aires conference, it is of importance to note that recently some South American countries, previously most friendly to Japan, have, yet in a small measure, joined in this world boycott movement. Brazil is an example. The intimation in the commentary that there is a division of interests between Japanese businessmen and the military, a common conception, is false to the core. One only need cite smuggling to illustrate the fashion in which the two groups work hand in hand. That the Kwantung Army (controlling Manchuria) uses smuggling for a political purpose and that the businessmen, harried by growing world restriction are desperately seeking a way out makes no difference.

Japan's dependency upon foreign raw materials also might have been emphasized and it could have been shown that China alone will not suffice as a source for these materials. Again, Japan's realization of her dependency, as shown by her efforts to create a cotton bloc in North China and in Siam, could have been stressed.

But the main point has been shown by T.R.B.: that the issues in the Far East are sharpening daily and that American statesmen are not losing sight of this fact.

A most important point arises in connection with a boycott against Japan: what will Britain do? In 1931, London was content with the Lytton Report on Manchuria and effectively squelched joint action of the League of Nations with the United States against Japan. France aided her in this. This year she moved against Italy only in so far as the security of her "lifeline" was affected, and sabotaged, with France, the application of effective sanctions against Italy which would have liquidated Mussolini's adventure. And in 1934, she concluded a bilateral Naval Treaty with Germany. Equally important and significant are the numerous statements of British conservatives—who hold the power in Britain today and are likely to continue to do so for the next few years in the absence of any organized opposition—calling for the renewal of the Anglo-Japanese alliance. Their arguments are based upon the familiar division of the spoils, China being the goat: Britain would wink at Japan's actions in China as long as Japan would respect certain and sufficient British interests in China. This is undoubtedly the most common expression of opinion in England on the subject—the mutual attitude toward the Soviet Union not being excluded—and whether the pendulum will swing to the other direction is to be seen. Of late there have been some signs, but they are always contradicted by pushes in the other direction.

At any rate, the United States has indicated that this time she will play the game single-handed with the support of Latin-America, if necessary. The Buenos Aires conference, the building up of the American fleet, recent trade restrictions against Japanese goods in the United States, and other factors are conclusive proof.

Scanning the Chinese Political Horizon

ESSENTIAL CONDITIONS FOR CHINA'S INTERNAL UNITY

BY HUBERT S. LIANG*

WITH the liquidation of the military situation in Kwangtung the so-called Southwest problem stands a good chance of satisfactory and peaceful settlement and prospects for China's real unification are brighter than ever before. But internal unity does not merely mean harmonious relationship between the central and provincial or local governments. Genuine unity means a spirit of oneness between the government and people, a vital necessity in a period of national crisis such as is facing China today.

As to the character of relationship that should exist between central and local government, Professor Chen Tsi-mai of Tsinghwa University pointed out in an article in a recent issue of the Independent Weekly (獨立評論) that feudalistic ideas on the part of the militarists had always been the main obstacle to China's national unification. When a war lord gets hold of a place or region he considers it his personal property to be defended against rivals or even the central government by military force if necessary. Thus he goes ahead and builds up a personal army and sometimes even establishes a currency system of his own, thus setting up an almost independent kingdom. On the other hand, the Central Government on too many occasions has been quite insensitive to local conditions and has had a penchant to centralize too much power into its own hands. Hence the everlasting tension between Central and provincial or regional governments. Many civil wars have been fought on precisely this ground. Not slow to perceive this weak spot in China's armor certain foreign powers have not hesitated to utilize it to the fullest possible extent to break up the country's unity by setting one group against another.

As a way out Mr. Chen made the following proposals: (1) The Central Government must give up the idea of centralizing all powers in its own hands and should work out a practical plan wherby a clear demarcation between the

*This is the third of a series of special articles on the Chinese political situation, domestic and foreign, by Professor Hubert Liang. The first of the series appeared in the July 18 issue of The Review.—Ed.

powers of the national government and that of the local or provincial governments should be drawn. (2) The local or provinical administrations should cooperate with the Central Government on matters and issues that are distinctly national in character, such as, the making of treaties with foreign powers, customs, currency and military affairs. Above all there should be mutual confidence, trust and respect between central and provincial or local authorities. For example, there are rumours constantly in circulation that only close adherents of this or that individual may obtain positions of responsibility in the various provinces, and anyone who holds different ideas or with a different background, is likely to be eliminated sooner or later. We need not go into the matter of responsibility for the circulation of such reports, but it is important to take cognizance of their existence and do all that is possible to correct the conditions responsible for their circulation. China's enemies are not slow to take full advantage of this situation to stir up internal dissension and strife.

But more important even than a harmonious relationship betwen the central and provincial governments is the vital matter of relationship between the government and the people. In all modern countries, even in those countries where absolute dictatorship prevails, the closest possible cooperation between the people and the government is the most prized desideratum. Mussolini exerted tremendous effort to win over the approval and support of the Italian peple before he launched upon his campaign of conquest of Abyssinia, and Hitler could not have achieved so much had he not received the solid backing of the German people. So far as China is concerned public opinion is an increasingly powerful force which cannot be lightly disregarded. The speedy settlement of the Kwangtung situation and the ousting of Chen Chi-tang from his autocratic and corrupt rule in Kwangtung constitutes proof of the growing power of public opinion. By and large, the people in this country are willing to believe in and support the governments, national or local, provided the administrations do the right and honorable thing and the conduct of its officials commands the confidence and respect of the people. The most serious and urgent problem facing our government today is how to win and sustain the confidence and support of the people. In other words, what are the prerequisites for winning and sustaining this confidence and support? The following points are obvious:

1. Government leaders must demonstrate by example that they are unselfish and are devoted to the welfare of the people.
2. The government must pursue a strong and positive policy to meet the ever-increasing foreign aggression.
3. Important diplomatic negotiations must be carried on as openly as possible, and the results announced to the public.
4. Political office must be open to all, irrespective of party affiliations, provided the applicant possesses the necessary ability, experience and devotion to the country's welfare.
5. Freedom of speech, press and assembly must be definitely guaranteed to the people.

It is not to be denied that China has made notable progress during recent years toward an efficient and honest government. But there is still room for improvement. The situation is such that the Chinese government during this critical hour of the nation's existence must prove by concrete deeds and beyond any shadow of doubt that it is working for national interest and welfare rather than for the intrests of individuals or groups of individuals. Officials of the Chinese government, high and low, must strive to lead exemplary lives, publicly and privately. People in general cannot and do not differentiate between public life and private conduct of officials. If the private life and personal conduct of any official is in question, the people's confidence in him as a capable and conscientious public servant is automatically shaken. To them personal and public conduct of individuals are interrelated and influence each other. General Chiang Kai-shek's New Life Movement was undoubtedly meant to elevate the moral tone of the nation. So far the Movement has dealt primarily with purely personal matters such as cleanliness, order, women's dress, hence it is hoped that attention will soon be directed toward the larger problems of corruption and graft, and the moral laxity of those in high places. It is further to be hoped that, while not neglecting the rank and file of the people, the Movement will direct its particular attention to officials of the government.

The government's prestige has been greviously undermined by Japanese aggression, particularly since last June when serious compromises were made that distinctly involved national sovereignty, administrative integrity and the fundamental principles of civil rights. There has been a general realization that many of these concessions had to be made for the sake of appeasing the appetite of the Japanese war clique. But the people are wondering whether this policy of conciliation has not gone too far, and whether it is not time for our government to assert its dignity and self-respect and tell Japan that there are limits beyond which we cannot go. The recent pronouncement of General Chiang Kai-shek has helped to clarify the atmosphere not a little; hence the fervent hope of the people is that the government is now prepared to make its final stand on the whole Sino-Japanese isssue, at whatever sacrifice.

Not a little popular suspicion and lack of confidence in the government is caused by the so-called "closed-door" diplomacy, the type most relished by Japan. Whenever an agreement is signed the Japanese are said to insist that a clause is in-

serted to the effect that such and such an agreemen or pact is to be kept strictly confidential by both parties. For instance, many people are still puzzled by what is called the "Ho-Umetsu" Agreement. Is there really such an agreement? If so, what are its contents? Again there are all kinds of reports regarding an alleged "Anti-Communist" Pact in the North. Is there or is there not such a pact? If so, what does it include and who were really responsible for signing such a pact? A government in China's position has everything to gain by conducting its diplomatic negotiations as openly as possible. This should not be interpreted to mean the unconditional divulging of diplomatic secrets, which any government is entitled to keep in order to facilitate negotiations. But it does mean that the people should be taken more into confidence as to the general direction and the broad lines along which their country's foreign affairs are moving. Certainly they are entitled to know about any important pact or agreement that is being signed between China and a foreign power.

So also should it be with the domestic affairs of the country. The people ought to be kept informed as to what is going on, if the government is to command people's confidence and support. On governmental affairs it is not censorship but more information that is needed. This naturally leads to the question of a free press. Except for a small section which is dominated and manipulated by malicious interest, the Chinese press in general is fair and impartial and should be regarded as a good friend and ally on the side of efficient and honest government. Youthful as the Chinese press is as compared with the modern press of other countries, it has definite standards to guide itself as to what is right or wrong and what is good and not good for the country. The recent collapse of the Liang-Kwang opposition was largely attributable to the influence of the press, particularly that section of the press which is not government owned or inspired. Censorship as it is carried on at present is not always efficacious even for its own purposes. It is the writer's opinion that the government would lose little, if anything, by abolishing censorship altogether. Should any newspaper or news agency operate to the detriment of public interst, it could be properly and even severely dealt with in accordance with the due processes of law. Moreover, the government must learn to accept criticism by the people. Since government officials are human beings and government institutions are human institutions, they cannot be infallible. The worst thing that can ever happen to any government is to drive all criticism and opposition underground —the sure route toward revolution.

Together with freedom of public speech and press the government ought to allow the people the right of free association. During this period of grave national emergency the government stands to gain much by an aroused and intelligently-guided public opinion. And one of the best ways of crystalizing such opinion is the free association of people who are genuinely interested in the affairs of the country. It may be pointed out that these associations can be utilized by those with ulterior motives to make trouble for the government. But the answer to that is that, if they can be utilized by those with ulterior motives, they also can be ultized equally effectively by the government. Broadly speaking the people can be classified into three groups, those who are definitely pro-government, those who are opposed to government and those who are ready to support the government when it is right and who are not afraid to criticise the government when it is wrong. Between these three groups the last mentioned is by far the most important as it is generally its attitude that is decisive insofar as public opinion and support is concerned. It is this group whose understanding and cooperation any intelligent and capable government should seek.

More important than merely being informed about what is going on in the country, the people must be given an opportunity to participate in the affairs of the country in their capacities as private citizens. Government posts should not be monopolized by groups or cliques or those of certain party affiliation, but should be open to all who are qualified and who have the nation's interest at heart and who are possessed of deep patriotic spirit to serve the nation and people. The situation is too serious and the outlook too dark for favoritism or nepotism to be the guiding motives in recruiting for public service in this period of national emergency.

These, then, are the essential conditions for a people's confidence in and support of the governments, and it is only with their confidence and support that any government, particularly in China, can hope to win out in the present national emergency.

As for the people, they must support the Central Government, without which no strong and united nation is possible. Thus any separatist tendency or autonomus movement under any kind of pretext whatever should be determinedly and vigorously condemned and resisted. The settlement of the Southwest problem cannot but be hailed as a long step toward political unification of China. And it is earnestly hoped that following the taking of this step all forces will be set into motion to bring about a yet greater unity, namely the unity between the government and the people. For it is only with a truly united front characterized by a harmonious relationship between Central Government and provincial governments on the one hand and the closest possible cooperation between the government and the people on the other that China can hope to weather successfully the supreme crisis that is now thrust upon her.

Kwangsi Warlords Reported Resisting Nanking Orders; Japan to Pursue "Stronger" Policy in N. China

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Nanking Relieves Li Tsung-jen and Pai Chung-hsi of Kwangsi Command.**
2. **Kwangsi Forces Again Invade Hunan and Prepare to Resist Nanking Orders.**
3. **Gen. Chiang to Summon First Meeting of National Defence Council at Kuling.**
4. **General Yu Han-mou Declares Regionalism in Kwangtung Is Ended.**
5. **General Huang Mu-sung Appointed New Chairman of Kwangtung Provinee.**
6. **Canton Merchants Ask Nanking to Arrest Gen. Chen Chi-tang.**
7. **Japan Threatens to Pursue "Stronger" Policy in North China.**
8. **Ying Ju-keng Warns Wang Keh-ming Against Nanking Leanings.**
9. **Prince Teh Proclaims Independence of Mongolia Under Japanese Instigation.**

The National Government in a series of 7 mandates issued July 25 effected a thorough reorganization of the Kwangsi administration. Gen. Huang Shao-hsiung, Governor of Chekiang, was appointed Pacification Commissioner for Kwangsi to replace Gen. Li Tsung-jen; Gen. Li Ping-hsien, chief of staff to the Kwangsi Army, was made deputy Pacification Commissioner to replace Gen. Pai Chung-hsi. Gen. Pai was appointed Governor of Chekiang to succeed Gen. Huang Shao-hsiung, while Gen. Li Tsung-jen was appointed a member of the Standing Committee of the Military Affairs Commission.

Unconfirmed reports by *Central News* from Nanning state that Generals Li Tsung-jen and Pai Chung-hsi have decided to defy the orders of the Central Government to remove them from their posts in Kwangsi. They are said to be preparing the establishment of a military government on August 1. Nanning and Wuchow are said to be swarmed with military officers of a "certain foreign nation." It was estimated that there are at least over one thousand of these foreigners in the two cities.

Armed resistance to Nanking troops, should the latter attack Kwangsi, was decided on Monday night (July 27) by the military leaders of Kwangsi, according to *Domei* reports. The conferees reached their decision following a report from Gen. Li Pin-hsien, chief of staff of the Kwangsi Army, on the results of his interviews with Generals Yu Han-mou, Chen Cheng and Chien Ta-chun. Simultaneously it was decided that General Li Tsung-jen and Pai Chung-hsi decline their new appointments by Nanking. The families of the Kwangsi leaders began their exodus from Nanning to Lungchow, southwestern part of Kwangsi, July 28. The Government archives were also moved to that city.

Gen. Huang Shao-hsiung, newly appointed Pacification Commissioner for Kwangsi, declared July 27 that he has declined to accept the post on the groud that having been away from Kwangsi for many years, he is now unfamiliar with the present conditions in the province.

KWANGSI AGAIN INVADES HUNAN AND PREPARES TO RESIST NANKING ORDERS

With both sides continuing to concentrate troops along the Kwangsi-Kwangtung border, fighting between the Kwangsi forces and the Government troops is once again regarded as possible, reported *Reuter* from Canton July 28. Feverish warlike preparations are reported from Kweilin and Wuchow, in Kwangsi, where troop movements are apparently going on.

Southern Hunan has again been invaded by Kwangsi troops, according to *Reuter* reports July 28. The Government, however, will exhaust all measures for a peaceful solution before taking drastic steps. The present terms of the settlement of the Southwest imbroglio were decided after careful consideration by the Government leaders. General Li Tsung-jen's appointment as a member of the standing committee of the Military Affairs Commission, it is stated, will give him every opportunity to offer suggestions to the Government on national defence and resistance against external aggression, while General Pai Chung-hsi's appointment as chairman of Chekiang makes him the head of one of the richest and most important provinces in China. The appointment of General Huang Shao-hsiung as Pacification Commissioner of Kwangsi is another indication of the Government's consideration for Kwangsi, since General Huang is recognised as one of Kwangsi's ablest leaders and a former close associate of Generals Li and Pai.

More than 30,000 men of the Kwangsi Provincial Army, stationed in Hsinan, Chuanchow, and Huangshaho, once again crossed the Hunan border on July 26, according to a *Domei* report. The advancing force was accompanied by several airplanes. Reconnoitering planes of the Central Army which flew over Chuanchow July 27 reported that the headquarters of the advancing force were established in Huangshaho, while its vanguard has reached a point eleven *li* from Lingling, in southern Hunan. Gen. Chiang Kai-shek is reported to have ordered on July 26 Generals Li Tsung-jen and Pai Chung-hsi to assume the new posts assigned to them, threatening to employ force if the order were disobeyed by Aug. 1. Stand-by orders were also reportedly issued by Gen. Chiang to military authorities in Canton, Hunan, Yunnan and Kweichow. Gen. Yu Han-mou has also been instructed by the Generalissimo to dispatch troops and munitions to the West River Region, close the to Kwangsi border.

Following a series of conferences at Nanning with their subordinates, Generals Li Tsung-jen and Pai-Chung hsi, the Kwangsi warlords, have expressed their willingness to resign their posts as Commander-in-Chief and Vice-Commander of the Kwangsi forces on certain terms, according to Chinese reports quoted by *Reuter* July 22. It is reported that these terms are:—

First, that they should be sent abroad on Government missions;

Secondly, that no Central Government troops enter Kwangsi and that all Kwangsi Armies remain intact;

Thirdly, that military and civil affairs in Kwangsi be entrusted to General Li Ping-hsien, Chief of the General Staff of the Kwangsi Army, and General Huang Hsu-chu, Chairman of the Kwangsi Provincial Government, respectively.

GEN. CHIANG TO SUMMON FIRST MEETING OF NATIONAL DEFENCE COUNCIL AT KULING

Reports from both Japanese and Chinese sources during the week state that General Chiang Kai-shek, President of the Executive Yuan and of the Military Affairs Commission, will shortly summon the first meeting of the newly created National Defence Council at Kuling, which will be attended by all important government leaders and provincial authorities or their representatives. According to *Shanghai Mainichi* July 23, the following subjects will be discussed at the meeting:

1. Diplomatic negotiations to proceed simultaneously with war preparations regarding China's policy toward Japan.
2. Defense in North China to be strengthened.
3. Military preparations for the recovery of the lost territory.
4. National defense to be strengthened on a large-scale.
5. Re-division of territory among the national areas.

Since the arrival of General Chiang on July 19, Kuling has become practically the political center of China with the large number of high officials of the country converging at the Kiangsi summer resort to confer with the Generalissimo and to seek instructions on current important political and military affairs. Among the officials now gathering at Kuling are Lin Sen, Chairman of the National Government; Dr. H. H. Kung, Minister of Finance; Gen. Yang Yung-tai, Chairman of Hupeh; Wu Ting-chang, Minister of Industries; Sun Fo, President of the Legislative Yuan; Wong Wen-hao, Secretary-General of the Executive Yuan; Tang Shao-yi, C.S.C. member; Yeh Chu-tsang, Secretary-General of the Central Party Headquarters; Dr. Wang Shih-chieh, Minister of Education; Gen. Chiang Tso-pin, Minister of the Interior; Gen. Yu Fei-peng, acting Minister of Communications; Hsu Mo, Vice-Minister of Foreign Affairs; General Huang Shao-hsiung, Chairman of Chekiang and newly appointed Pacification Commissioner of Kwangsi; Gen. Chang Fa-kwei, the "Ironsides" Commander; Gen. Huang Mu-sung, Chairman of the Mongolian and Tibetan Affairs Commission; Chang Kia-ngau, Minister of Railways; Admiral Chen Shao-kwan, Minister of Navy; Gen. Huang Kwang-jui, Commander of Kwangtung Air Force, Liu Chi-wen, Mayor of Canton; Dr. Wang Chung-hui, Chang Yueh, representative of Gen. Han Fu-chu, Chairman of Shantung, and many others.

With President Chiang Kai-shek in Kuling, the meetings of the Executive Yuan beginning this week will be held in Kuling instead of in the capital, it was decided July 23.

Either Gen. Li Tsung-jen or Gen. Pai Chung-hsi will attend the forthcoming National Defense Conference, to be convoked in Kuling by Gen. Chiang Kai-shek, Gen. Chang Jen-min, a Kwangsi staff officer, told the *Min Kuo Jih Pao*, at Canton July 25, according to *Domei*.

Unreserved support to the Central authorities and Gen. Chiang Kai-shek, President of the Executive Yuan, was pledged by Gen. Han Fu-chu, Chairman of Shantung, in a press interview at Tsinan July 25.

FENG YU-HSIANG SPEAKS ON CHINA'S PROBLEMS OF SELF-DEFENCE

Side by side with the peaceful solution of the Liang-Kwang situation, the establishment of the National Defence Council was hailed as the greatest achievement of the National Government in recent years, declared Gen. Feng Yu-hsiang, vice-chairman of the Military Affairs Commission, in a speech at Nanking July 28. "Know thyself as well as others," Gen. Feng said, should be the maxim for China to remember, because, he explained, it is only thus that China can learn to make use of the good points of other people's systems and at the same time avoid falling into the same pitfalls as has been the lot of others. Take Japan, for example, Gen. Feng said. She badly requires immediately 200 million catties of lead, 20 million catties of aluminium, 1,500 million catties of phosphorus, 5 million catties of nickel, 4 million catties of antimony, 200 million catties of rubber, and 6 million piculs of soy beans. With the exception of 3 million piculs of soy beans which Japan has made arrangements for provision, Gen. Feng said, the supplies of the other necessities listed above must depend upon other countries. Yet, Gen. Feng emphasized, Japan has risen to be one of the strong Powers of the world, which should give China a lesson worth while pondering over.

Shanghai Nippo reported July 21 that a meeting was held at Tientsin that day by members of the Students' Union at which reports submitted by representatives sent to Nanking recently were discussed. According to this report, Gen. Feng Yu-hsiang delivered the following speech to the student representatives.

"The National Government is now preparing a resistance campaign against Japan. After the completion of such preparations, the Government will join hands with you students to fight the Japanese.

"You are asked to watch the development of the situation and to renew your movement at the first opportunity." Gen. Feng is said to have also convinced the student representatives of the strength of Soviet Russia as shown in a recent motion picture. He indicated that China's co-operation with Soviet Russia is necessary.

GEN. YU HAN-MOU DECLARES REGIONALISM IN KWANGTUNG IS ENDED

Accorded the welcome of a conquering hero, General Yu Han-mou, the new Commander-in-Chief and Pacification Commissioner of Kwangtung, entered Canton at 9.15 a.m. July 23. General Yu came to Canton from Shaokwan, North Kwangtung, where he had made his temporary headquarters. General Yu issued July 24 a lengthy statement, in which he calls upon the 30,000,000 people of the province to help build up a new Kwangtung under the Central Government. Declaring that Gen. Chen Chi-tang's centralization of political and military power under his own control had done more harm than good to Kwangtung, Gen. Yu assures the populace that he will not meddle in politics but will devote his entire energy in training the army as a bulwark in national defense. Concerning the military situation, Gen. Yu pledged himself to the restoration of normal conditions as prior to the launching of the Liang-Kwang subversive move in order to reinstate peace and order. From now on, Gen. Yu emphasizes, there is no more regionalism, so far as Kwangtung is concerned, and the entire Kwangtung people should pledge wholehearted support to the Central authorities.

Gen. Yu Han-mou, the new Kwangtung Commander.

"I shall devote myself exclusively to the task of reorganizing the Kwangtung military forces with a view to strengthening China's national defense," declared Gen. Yu Han-mou in a press interview July 26.

"Quality instead of quantity will be emphasized henceforth in the maintenance and training of the army in Kwangtung," declared General Yu Han-mou in an address July 27. "I have no territorial ambition," he added, "and I shall adhere to the principle that troops belong to China instead of to a province or individuals."

GEN. HUANG MU-SUNG APPOINTED CHAIRMAN OF KWANGTUNG

The exchange of posts between General Huang Mu-sung, Chairman of the Mongolian and Tibetan Affairs Commission, and Lin Yun-kai, Chairman of Kwangtung, formed part of the general reorganization scheme for Kwangtung decided upon by the Executive Yuan at a meeting held at Kuling July 28 under the chairmanship of General Chiang Kai-shek. A completely new Kwangtung provincial government was appointed, including T. L. Soong, Finance Commissioner, Wang Yin-yui ,Civil Affairs Commissioner, Liu Wei-tze, Reconstruction Commissioner, and Hsu Chung-ching, Education Commissioner.

The orerganization of the Kwangtung provincial bank into the Kwangtung branch of the Central Bank of China has been decided upon by the Central Government as the first step in the reorganization of the finances of the province. It is stated that the Kwangtung branch of the Central Bank will reorganize the present currency, changing the Cantonese "hao" or "small" money into "big" money.

REORGANIZATION OF KWANGTUNG MILITARY ADMINISTRATION UNDER WAY

A decision to abolish all pacification offices established by General Chen Chi-tang in the various Kwangtung districts, on August 1, was reached July 24 at a military conference called by General Yu Han-mou, Commander-in-Chief of the Kwangtung

The first proclamation issued by Gen. Yu Han-mou announcing his assumption of office as Commander-in-Chief of the 4th Group Army and Pacification Commissioner for Kwangtung.

Army. It was also decided to change the designation of the First Group Army to Fourth Group Army as from August 1. Reorgaization of the Provincial and Municipal Kuomintang has been effected with new officials appointed to replace General Chen Chi-tang's adherents. Although Lin Yun-kai, the Civil Governor of Kwangtung, and General Liu Chi-wen, the Mayor of Canton, are still remaining in office pending a decision concerning their posts being reached at the Kuling conference. The financial administration is entirely in the hands of Nanking appointees. The latest important military appointments include the naming of Admiral Chen Cheh as commander of the Bocca Tigris forts; General Hsu Ching-tang as Chief of Staff of the Kwangtung Army, and General Huang Tao as Director of the Arsenal.

Pending the reorganization of the Yentang Military Academy into the Canton Branch of the Central Military Academy, it is understood, Gen. Yu Han-mou will temporarily act as President of the Academy so as not to interrupt the work of the school.

Gen. Chen Cheng, army commander of the Central Government Forces, who arrived at Canton on July 25, was honor guest at a banquet July 26 given by Gen. Yu Han-mou. In the course of the dinner, it is stated, views were freely exchanged regarding the rehabilitation of the military situation of Kwangtung. Gen. Chen is flying to Kuling soon to report to Generalissimo Chiang Kai-shek on his mission to Canton.

Reorganization of the Fourth Route Army was discussed at length July 27 between Gen. Yu Han-mou, the new Pacification Commissioner, and Gen. Chen Cheng, director of military organization of the Military Affairs Commission, who was recently sent to Canton by Gen. Chiang Kai-shek to assist Gen. Yu in military rehabilitation of Kwangtung.

The following important appointments were announced July 28 by the Headquarters of the 4th Route Army under Gen. Yu Han-mou :

Chen Mien-wu, director of General Staff Dept.,
Wu Fang, acting director of the Military Affairs Dept.,
Feng Tso-hsiung, director of the Garrison Dept.,

Ma Ping-hung, director of the Treasury Dept.,
Lei Ming, director of the Audit Dept.,
Chung Lin, director of the Munition Dept.,
Lin Ching-hsi, director of the Military Law Dept.,
Chang Chien, director of the Army Medical Dept.,
Lo Chung-wei, director of the Army Reclamation Dept.,
Chang Kuo-yuan, director of the General Affairs Dept.,

General Huang Pin-heng, of the Nanking Aviation Commission, left Nanking for Canton July 28 to take over the Cantonese air force.

Vice-admiral Chang Chih-ying, commander of the Kwangtung Naval Force, has tendered his resignation to Gen. Yu Han-mou, according to *Central News*.

The military expenses of the Kwangtung Provincial Forces, which totalled $6 millions monthly during the regime of General Chen Chi-tang, the deposed Kwangtung leader, will now be cut down to $3 millions by General Yu Han-mou.

CANTON MERCHANTS ASK NANKING TO ARREST CHEN CHI-TANG

In a joint petition to the Central Government, a number of prominent business leaders in Canton, headed by Chang Shang-pei, have asked the Central Government to arrest General Chen Chi-tang, who, in the past seven years, issued no less than several hundred millions of bonds on the pretext of strengthening national defence. As these large sums of money were extorted from the people, Chen should be punished.

The Central authorities are also requested to issue warrants for the arrest of Lin I-chung and Ou Fang-pu, until recently Provincial Commissioners of Civil Affairs and Finance for Kwangtung, and Chen Wei-chou, brother of General Chen Chi-tang and formerly Salt Commissioner for the Liang-Kwang Area.

General Chen Chi-tang will not be allowed to go aboard unless and until he completes the transfer of his duties to his successor. An order to this effect has been despatched by the Central authorities to General Chen, reported *Kuo Min* July 26. The Hongkong Government has been asked by the Central authorities to accord "special protection" to General Chen during his sojourn in Hongkong. General Chen entered the local French hospital July 25 for treatment of liver trouble and insomnia.

Twelve policemen have been posted in front of the residence of General Chen Chi-tang by the British authorities at Hongkong. It is reported that this action is designed to stop General Chen from sending out of Hongkong $10,000,000 silver stocks, which he bought there with him from Canton.

As representatives from various circles are compelling General Chen Chi-tang to return the money which he illegally obtained during his stay in Canton, General Chen is reported to be considering to go to Formosa for a short time. General Chen's personal property valued at $80,000,000, is now stored in a certain bank.

TWO SOUTHWEST ORGANS CEASED TO FUNCTION JULY 22

The South-western Branch of the Central Executive Committee and the South-western Political Affairs Committee ceased to function and wound up their affairs July 22. The archives of the two organs will be transferred to Nanking upon receipt of instructions from the Central authorities.

Plans for the readjustment of judicial administration in Kwangtung were revealed by Yeh Hsia-sheng, newly appointed President of the Kwangtung High Court, in an interview with the *Central News Agency* July 24. The preliminary step toward judicial reforms in Kwangtung, according to Mr. Yeh, will be the abolition of the Southwest Branch Supreme Court in order to unify the judicial system in this country. Efforts will also be made in tightening discipline in judicial circles, so as to discourage official corruption. Mr. Yeh left for Canton July 25 to assume his new duties there.

A ban on the anti-Japanese movement has been ordered by Gen. Yu Han-mou, according to a report received by the Foreign Office July 22 from Toyoiochi Nakamura, Japanese Consul-General in Canton. As a result of this order, all anti-Japanese positers have been removed from walls of buildings and fences by the Public Safety Bureau on July 19, while Chinese newspapers ceased publishing items of an anti-Nipponese nature, the report added.

JAPAN THREATENS TO PURSUE "STRONGER" POLICY IN NORTH CHINA

"Japanese policy in North China will inevitably become stronger if the Central Government, ignoring Japan's special position, continues to play off one Power against another." This was the gist of a semi-official announcement made July 22 after a conference between the Foreign Minister, H. Arita, the Minister of War, General Terauchi, and the Minister of the Navy, Admiral Nagano. Two specific examples of China's alleged policy of playing one Power off against another were given, namely the "Sino-German and Sino-American loan agreements," which, despite denials elsewhere are stated in Tokyo to involve the purchase of munitions. "The Chinese Government," it was added, "would be well advised to show its sincerity by solving the North China imbroglio in a manner acceptable to Japan."

Indicating the significane attached by the Chinese Government to the above statement threatening a stronger policy, General Chang Chun, Minister of Foreign Affairs, has postponed his departure for Kuling following receipt of a full text of the communique, according to reports from Nanking. General Chang also is reported to have despatched Hsu Mo, political vice-minister of foreign affairs, to make a hurried trip to Kuling to confer with General Chiang Kai-shek. The Waichiaopu is represented as seriously considering the formulation of a policy to face possible developments in Sino-Japanese relations as indicated in the Japanese statement. Meanwhile, reports that S. Kawagoe, the Japanese ambassador to China, is to visit Nanking next week to begin negotiations with General Chang on readjustment of the relations between the two Asiatic countries were denied in authoritative circles. It is stated that Mr. Kawagoe has been instructed by the Gaimusho to delay discussions on the Sino-Japanese relations until after the complete liquidation of the Kwangtung-Kwangsi situation and, possibly, after the convocation of the National Defense Commission expected shortly in Kuling.

Foreign press reports that the Japanese Minister of Foreign Affairs, War and the Navy, after a conference on the 22nd inst., issued a semi-official announcement, in which it was stated that "Japanese policy in North China will inevitably become stronger if the Central Government, ignoring Japan's special position, continues to play off one power against another," is stated to be "absolutely without foundation." A formal denial to the above effect has been received by the Nanking Foreign Ministry from the Japanese Embassy.

Editorials of a section of the Nanking press on July 24 were devoted to unfavorable criticism of the semi-official statement issued by the Foreign Affairs, War and Navy ministries from Tokyo regarding a stronger North China policy. Reading over the statement, the independent *New Capital Daily* commented, we cannot but regret Japan's jealousy of China's success in national unification. The statement was interpreted by *Hsin Min Pao* as negatively aiming to force China to accept Japan's already acquired rights and her special rights in this country. It also hints at frustrating the resistance-of-foreign-menace atitutde of the Chinese people. Positively, the editorial continued, Japan is anxious to "assist" Shih Yu-shan, one time rebel, and Tsao Ju-lin, one-time "traitor," in strengthening the Hopei-Chahar set—up. She is also anxious to "assist" Wang Keh-min in realizing Sino-Japanese economic rapprochement in North China. Should the Chinese government refuse to respect such requests, the journal said, it will be interpreted as Japan's special position being ignored and strong action will have to be taken.

NANKING AND TOKYO NEGOTIATE NEW TRADE FACT

Negotiations are afoot between the Chinese and Japanese Governments for the conclusion of a trade agreement, Chang Sin-wu, the first Chinese Commercial Counsellor to Tokyo, revealed July 26 on his arrival at Nagasaki from Shanghai aboard the s.s. *Shanghai Maru*. Following his arrival in Japan earlier this summer, Mr. Chang met high Gaimusho and Treasury officials to discuss trade relations between the two countries. Last month, armed with the results of these conferences, he returned to Nanking to seek instructions from the Central Government. "In my opinion" he told *Domei*, "the trade between the two nations should be based on Japan's purchases of cotton and other raw material in China, and the latter's purchases of Nipponese manufactured goods."

To finance its anti-Communist and Peace Preservation Corps, the bogus East Hopei regime has concluded a loan of Yen 1,500,000 with the Japanese, reported *China Times* July 27. The right to instal teleghone and telegraph lines in East Hopei and the building of a power company has been pledged as the security of the loan.

YIN WARNS WANG KEH-MIN AGAINST NANKING LEANINGS

According to a *Domei* report from Peiping, a warning that Wang Keh-min, chairman-designate of the economic affairs commission of the Hopei-Chahar Political Council, who has declined the post, is likely to prejudice the "constructive program" of North China by seeking to permit intervention in the local regime by General Chiang Kai-shek was announced made July 21 by Yin Ju-keng, head of the bogus East Hopei Autonomous Government. Referring to the plans reported under consideration by the former Peiping politician to promote economic conditions in North China, Mr. Yin said he feared that unless Mr. Wang secures suport from external sympathizers he will not be able to make satisfactory progress in the local administration. Irrespective of the prospective development of the northern political situation, he expressed his determination, that the Tungchow Government should continue its independent constructive works to improve the local situation and to promote the welfare of the masses.

Reports that Wang Keh-min has declined his new post as Chairman of the Economic Committee of the Hopei and Chahar Political Council are incorrent, according to *Central News*. General Sung Cheh-yuan received a letter from Mr. Wang July 28 stating

that the latter is exchanging views with the central authorities regarding measures for the economic development of North China and would come to Peiping as soon as concrete plans are worked out.

JAPANESE PLACE PUPPET PRINCE ON MONGOLIAN THRONE

Inner Mongolia formally proclaimed its independence of China June 27 and 2,500,000 descendants of Genghis Khan, who once conquered half the known world, placed themselves under Japanese domination, according to a *United Press* dispatch circulated throught the United States. The Teh Wang (Prince Teh), hereditary ruler of the Sunnet tribes, established the seat of the independent Inner Mongolian government at Chia Pu Su on the border of Chahar and Suiyuan provinces. Prince Teh pro claimed himself commander-in—chief of the Inner Mongolian army. Formation of the independent Mongolian military government was officially admitted by Chinese officials in Peiping. It represents the final evolution of Inner Mongolia from an integral part of China to an independent state sponsored by the Japanese. Since 1930 Prince Teh and other Inner Mongolian chieftains have been content with an autonomous government, located at Pailingmiao, which negotiated with both the Chinese and the Japanese for arms and recognition. The Japanese won, observers believed, because of their ability to promise Prince Teh protection against Outer Mongolia, a sovietized state under the tutelage of Moscow. The rise of Japanese influence in Inner Mongolia extends the sway of Nippon on mainland Asia far beyond the borders of Manchukuo and deep into central Asia, where the Russians have carved a sphere of influence in Chinese Turkestan. It gives the Japanese a base for possible operations against Red outer Mongolia and puts friendly forces along the entire length of the Great Wall from the sea at Shanhaikwan to the distant marshes, where it ends 1,500 miles inland. During the five years of Inner Mongolian autonomy Prince Teh built a small but crack army with Japanese advice and equipment. It possesses the only machine guns and automatic rifles in Inner Mongolia. The troops are well mounted on hard, shaggy Mongol ponies.

Prince Teh, the Mongolian Leader, Proclaims Independence from China.

FEVERISH MILITARY PREPARATIONS GOING ON IN INNER MONGOLIA

Following a temporary lull in the north as a result of the Southwest crisis, the situation in Inner Mongolia has taken a turn for the worse, according to *Shanghai Evening Post* July 28. Japanese and "Manchukuo" officials are renewing their efforts to establish a semi-independent, if not entirely independent, state in Inner Mongolia. Feverish military preparations have been going on in Inner Mongolia during the past month or two. Prince Teh visited Changchun, capital of the Puppet State, last month and arranged for the supply of military equipment from the Kwangtung Army. New divisions of troops have been organized and 10,000 new recruits are now undergoing military training, while the Peace Preservation Corps have been incorporated into the regular army and are concentrating at Dolonor. Large quantities of military supplies are being sent into Inner Mongolia from Mukden. The new railway from Jehol to Chahar, linking Chihfeng with Dolonor, is nearing completion and other plans are being made to construct a branch line from Dolonor to Pingtichuan. These lines will be of great military importance in times of war.

The Rev. Kakumin Ohta, the 71-year old abbot of the Hosenji Temple in Yokkaichi, Miye Prefecture, arrived at Dairen July 27 on the s.s. *Harbin Maru* en route to Mongolia, to combat "atheism," seeping into Inner Mongolia from the Sovietized Outer Mongolia.

SHOOTING INCIDENT AT TIENTSIN SAID SETTLED

The Tientsin Municipal Government announced July 23 that the shooting incident which occurred the previous day when a Chinese constable employed by the Japanese Consular Police Headquarters was killed, had been satisfactorily settled as a result of negotiations between the Chinese and Japanese authorities.

The Japanese Consular Police at Tientsin on the night of July 22 arrested Tsou Feng-ling, company commander of the 38th Division of the 29th Army, whom they accuse of murdering a Chinese special agent the previous day before the gates of the Mayor's yamen. Four other alleged accomplices of Tsou were also examined by the Tientsin Chinese municipal authorities.

A series of four demands were served upon Gen. Chang Tzu-chun—Mayor of Tientsin, by Mr. Tajiri, Japanese acting Consul-General there. These sought: severe punishment for the culprits; solatium for the family of the murdered policeman; an official apology on the part of Gen. Chang; and a guarantee against the recurrence of similar incidents.

China and Japan were likened to a husband and wife by K. Nishida, former Japanese Consul-General at Tsinanfu, who was recently appointed adviser to the Hopei and Chahar Political Council when interviewed on his arrival at Tientsin July 28 from Japan. He emphasised the necessity of harmony between the two nations, since a very slight misunderstanding, he said, was "capable of developing seriously and entailing a divorce."

Yutaro Tomita, financial commissioner of the Tokyo Treasury, now touring China, arrived at Shanghai from Tsingtao aboard the s.s. *Seito Maru* July 29.

TSAO JU-LIN DECLINES TO ACCEPT POST IN PEIPING COUNCIL

Tsao Ju-lin, one-time Minister of Foreign Affairs in the Peking Government, who was recently appointed a member of the Hopei-Chahar Political Council, declared July 24 that he would not accept the post. Mr. Tsao said that he would shortly proceed to Peiping to personally tender his resignation to Gen. Sung Cheh-yuan, chairman of the Council. Arriving from Peitaiho July 26, Mr. Tsao declared that the advanced age of his mother and his own ill health prevent him from accepting the new post offered him.

Tsao Ju-lin, a former leader of the Anfu Party, declines Peiping Council Post.

Shanghai *Mainichi* reported July 25 that Tsao Ju-lin and Tang Er-ho, newly-appointed members of the Hopei and Chahar Political Affairs Council, tendered their resignations July 24. The resignation is due to the strong opposition raised by the 29th Route Army to the enlistment of Pro-Japanese elements in North China affairs.

Gen. Shih Yu-san, Gen. Liu Ju-min, and Kuo Tin-yuan, three new members of the Hopei and Chahar Political Council, attended the regular meeting of the Council July 24 the first time since their appointment was announced.

Major Imai, Japanese Military Attache, said July 25 that no official information had been received concerning the contemplated trip of Maj.-Gen. Doihara, head of the Japanese Military Mission in Manchuria to North China.

The Japanese authorities have decided to establish police stations along the Tientsin Pukow and the Peiping-Hankow railways for the protection of Japanese nationals, reported *Shun Pao* July 22.

Despite the fact that the initial efforts to establish a central bank in North China failed due to opposition from influential quarters, the Bank of Chosen has now come forward positively to help establish a central bank in North China with a view to establishing a currency system in North China to assure economic stabilization in the area, reported *Jiji Shimpo* July 16.

COMMUNISTS RETREAT TO SZECHUAN, TANPA CAPTURED

The Communists of Shensi, Kansu and Ninghsia are being surrounded by Government troops and are now retreating toward Szechuan, according to *Ta Kung Pao* July 27.

Capture of Tanpa, strategic city on the Szechuan-Sikong border, from the communist bandits by militia units, has been confirmed by reports received by the Szechuan Bandit Suppression Headquarters from General Liu Wen-hui, Border Defence Commissioner of Szechuan.

600,000 REGISTERED IN NANKING AS QUALIFIED VOTERS

Approximately 600,000 persons, a little over two-third of the total population, have registered with the Nanking Municipal Government for voting privileges in the forthcoming election of delegates to the National People's Congress, according to official information. The list of names of these qualified voters was announced on July 29.

Chu Chang-nien, former Chinese Minister to Norway and Sweden, is understood to have been slated as Customs Superintendent of Shanghai succeeding H. O. Tong who has recently been made Salt Commissioner for Kwangtung and Kwangsi.

London Newspapers Fined for Comments in Connection with Attempted Assault on King

The editor and proprietors of the London *Evening News* and the editor and proprietors of the *Daily Express* were each fined £500 July 29 and ordered to pay costs, for contempt of court in connection with comments upon proceedings against George McMahon, the alleged assailant of the King on July 16.

Counsel for the defence apologized and affirmed that the defendant were not actuated by malice but by a desire to allay and soothe public disquiet and misgiving.

The Crown brought the prosecution on the ground that the comments made by said newspapers were likely to prejudice the accused in getting a fair trial.

Freedom Within the Press

BY VERNON NASH

IN a book review in this publication some weeks age, I suggested that I should like to join a society for the reform of book titles.

I am a disciple of the Chinese sage who believed in the importance of the rectification of names. A good case in point is the book by George Seldes, "Freedom of the Press," recently reviewed in *The Review* by my colleague, Hubert S. Liang. The volume deals almost entirely with the question of freedom *within* the press, not "freedom of the press" as the term has generally been used in English-speaking countries since the establishment of journalism. A more exact title for the book, perhaps, would be "Freedom of the Employed Journalist."

To share with a wider circle the occasional arguments I've had with my colleague, I would say that, in my opinion, Mr. Liang is misled by the title when he infers that true freedom of the press is non-existent in democratic countries as well as in dictatorships. Seldes nowhere makes a case for the statement that the privilege "to publish freely without prior restraint" is appreciably infringed by political agencies in America, Great Britain or France. He does establish right up to the hilt his contention that the working newspaperman's liberty to tell the whole truth and nothing but the truth is grossly violated by non-professional owners and by professionals who do their bidding.

Both types of freedom are essential if journalism is to perform its vital functions in serving any people. If both are to be safeguarded, issues must not be confused by mixing the concepts. Suppression of the truth by the policing powers of government must be kept distinct in thought from deliberate withholding of facts to which the public has a clear right by a publication at the instigation of selfish and self-seeking publishers. The effects upon public opinion and public welfare are quite similar, it is true, but the evils can best be dealt with if the disparate nature of their causes is kept clearly in mind. American publishers have muddied the waters still more in recent years by resisting governmental regulations of working hours and wages, and by opposing the development of organizations of employees, under the historic banner of the freedom of the press. They will have only themselves to blame if the public has become too confused to be able to come to their assistance when true liberty "to utter freely" is threatened.

It is admittedly not an easy thing to keep the three phases of journalistic freedom sufficiently differentiated to secure clarity in thinking. It is quite possible for a government "left-handedly" to use regulations concerning conditions of work as a means of control. It is a bit more far-fetched but still conceivable that a guild of newspapermen might become sufficiently powerful to be able to influence or to dictate policy. It is a pretty broad jump, however, to assume that papers would be any more biased under such relationships than they are under individual control.

The Problems Which Journalism Creates

Journalism by its very nature creates problems more far-reaching in their implications and more baffling in their complexity than any other activity of man. It is a quasi-public utility; at its best it may even go beyond the historic western concept of a "fourth estate" of government and constitute virtually a government over government. It can be (to a considerable extent in free countries it is) a "control yuan" not created by the government, not subject to it. As such it performs a function without which true government of, by and for the people is an impossibility. This being the case, it is utterly vital that control of publications be in the right hands. If the government can exercise such control, then journalism rapidly degenerates into an organ of a government, no better and no worse than the political forces which dominate it. Western democracies long since reached the conclusion that no form of control was as satisfactory as that of a public-spirited individual, typified at its best in C. P. Scott of the *Manchester Guardian*. There have been few instances, if any, where control vested in a board or in a larger group has served the general welfare as satisfactorily.

But the growing size of publications has created a need for control by a genius for large-scale financial and technical management. Consequently, ownership and control of newspapers has passed in an accelerated degree into the hands of millionaire business men and out of the hands of professionally-minded editors. It has been almost inevitable that this should happen since a large newspaper or magazine is at one and the same time a professional project, a commercial undertaking and a manufacturing concern. Given the interlocking nature of most modern finance and industry, it is not surprising that the number of single-minded, public-spirited owners has decreased; journalism to a shocking degree has become an organ of big business.

It is to be expected, therefore, that there will be a growing concern everywhere as to where the control of a nation's journalism shall be vested. No clear answer to the problem is yet discernible. The situation in totalitarian countries shows that it is jumping out of the frying pan into the fire to wrest control of publications from individuals and corporations in order to place them under the direction of a "minister of propaganda" of the government. The answer for free peoples will probably be some form of legal restriction which will compel owners of newspapers and magazines to have no other financial and commercial investments and interests, and an extension to greater lengths of the power of the rank-and-file workers implicit in such organizations as the British Institute of Journalists. This will take a form which may be called "negative dictation"; under more or less clearly established codes and creeds of professional conduct, there will be acts which no self-respecting member of the journalists' association will perform. If discharged for such refusal, no reputable journalist will be found to take his place

In China, employed and employing journalists must soon come to grips with problems involved in the life and conditions of work of the rank-and-file professional. These are comparatively bad enough anywhere; they are deplorable in this country. It is common to hear persons, leading editors included, bemoaning the fact that it is so hard to find the right kind of personnel for the lesser positions in news gathering and editing. Is it to be wondered at when one considers that salary schedules compare unfavorably with those in middle schools while the work in journalism is decidedly more difficult and demanding than it is in teaching?

The Chinese students whom I have known intimately for more than a decade who are preparing for a life in Chinese journalism are ready to accept all the hardships of the profession which are inherent in its nature. They are not prepared to accept without protest and struggle the difficulties and disadvantages which are removable. They recognize and make allowances for the peculiar financial problems of the Chinese publisher under present conditions but are quick to resent instances in which they feel that their desire to serve patriotically in this potentially most influential of all professions is being exploited.

In individual conferences and group discussions with Chinese students during these years, I have been struck by the difficulty they have in distinguishing between censorship and control. Because they are convinced that some form of public control over the controllers of journalism is necessary, they are ready to approve censorship. I have long since ceased to be willing to spend much time arguing the pros and cons of censorship, in so far as it applies to an attempt by a government to determine what news of a country shall be sent out of it. It all seems to me to be a purely academic issue since there is such abundant evidence that it can't be done. All such censorship can do is to stir up international irritations and *delay* the dissemination of the facts. Sooner or later, in one way or another, the truth gets known. The "time of emergency" argument is very weak. Every government during the world war spent multiplied millions on censorship; when it was all over, we found that every government at any given time had all the information it wanted and needed about conditions in every other land. Some dictators since then have been very clever in their use of the Siamese twins of censorship and propaganda, but the ultimate effect in the loss of a world's confidence has been a heavy price to pay for their cleverness. China, from this point of view, could well afford to pay Japan's propaganda bill for the past five years.

The Evils of Censorship

Still less of a case can be made for internal censorship. The one major argument always put forward for censorship is the prevention of the spread of misinformation. This avowed purpose of censorship is belied by the fact that governments the world over clamp down quite as hard upon published truth as upon lies. Indeed, one would be prepared to uphold the contention that most censors penalize dissemination of the truth even more severely than they do falsehoods. It is usually quite easy to refute the latter. The assertion that the powers of censorship are needed to stop the spread of disquieting rumors is not worthy the attention of a 6-year-old. Is it not obvious anywhere and everywhere that rumors flourish most widely and are given the most credence in areas where censorships obtain? It is noteworthy that mouth-to-mouth stories abound in countries where freedom of the press exists but they seldom have anything to do with government because citizens know that the papers generally print the facts there; they center around business and financial deals where the dependability of journalism is suspect.

Censorships do positive harm in China and elsewhere because there is much of importance which should be conveyed by government to people. But readers, knowing that papers are not free to print the whole truth and are under considerable compulsion to print what is ordained by the powers-that-be, soon develop a healthy skepticism toward everything published. They do not know what to believe. There are harms and dangers intrinsic in a free journalism, but these are simply not comparable to the damage done to government, press, and the public welfare by censorship. I welcome the fact, therefore, that recent pronouncements by bodies of Chinese journalists on the question have not, as a rule, let any "weasel words" creep into their resolutions about good and bad forms of censorship, about times of crises, and so on. There is never a time or place when any degree of censorship is desirable. It is entirely sufficient that publications shall be held responsible *after* publication in established courts of law for any abuse of such liberty under ordinary libel and decency statutes. Truth and public benefits should be an adequate defense in all such cases. It is better for us to have too much light than not enough.

China Institute in Java

BY THE REVIEW'S JAVA CORRESPONDENT

THE recent national awakening of China has made the Chinese in Java more Chinese than they were before. Since 1901 national schools have been established in various places in this part of the globe. There are 490 Chinese national schools throughout the Netherlands East Indies, according to the Department of Chinese Affairs of the Dutch government here. These schools are financed by the Chinese community in every city or village and do not receive any subsidy either from the government here or from the Chinese government at home. Some visitors from China have been surprised to find that many Chinese here speak Kuo Yu!

The ever growing national consciousness among the Chinese here is an undeniable fact. Now and then groups of Chinese tourists from here have visited China to see their fatherland for the first time! The most recent group, composed of 63 members, organized by the Central Committee of Hua Chiao Tsing Nien Hui, a big Chinese youth association in the Netherlands East Indies, is the biggest one. Such another big touring group to China is now being contemplated, while several small or private groups are expected to sail for China very soon. "I must see China before I die," such is the growing yearning among the old folk here.

Time was when things Chinese were bad, useless, ridiculous, mean, nonsensical, and what not, in the eyes of the Chinese here. To the great joy of all these dark ages in the history of the Chinese here have past already and a new era has taken their place instead. Among the recent activities of the Chinese here, which justifiably claims to be a most notable and laudable one, is the organization of the China Institute at Batavia by Chinese intelligentzia. Probably historians later on may mark this period as the Renaissance in the history of the Chinese in the Netherlands East Indies.

Institute Has Ambitious Program

As the name implies the China the Institute has set forth its purposes as follows: 1.—To make a study of Chinese culture and to encourage people to have interest in this knowledge. 2.—To take various measures for promoting and developing the cultural life of the Chinese in the Netherlands East Indies. For the attainment of these purposes the China Institute will resort to the following channels: 1.—The establishment of a "China Library." This library will collect books and periodicals in various languages about China and books and periodicals in various languages written by the Chinese in the Netherlands East Indies. 2.—The publication of books. This will include the work of translating Chinese books into Malay and Dutch and writing of novels and plays in Dutch and Malay about the life of the Chinese in the Netherlands East Indies. 3.—The establishment of a Chinese museum. 4.—The formation of a cultural contact with China. A representative of the China Institute is to be stationed in China, and occasionally scholars and artists in China are to be invited to visit the Netherlands East Indies. 5.—The registration and the care of Chinese temples here. 6.—The publication of a periodical on sinology in Dutch and Malay.

The writer suggests that the Central Government should order the different governmental departments and offices to take it as a duty to send to the China Institute here regularly free copies of books, pamphlets, periodicals and newspapers published by them. Private book companies, publishers of journals and authors throughout China should also consider it a duty, or an act of charity or sympathy to do the same thing. For the sake of formality, encouragement and a nation-wide attention the Central Government should rule to said effect. The address is: The China Institute, 187 Molenvliet West, Batavia, Java.

As regards the China Institute, naturally, there are difficulties confronting it. First of all, it must be noted that there are no competent sinologists here to undertake the work. The so-called Chinese intelligentzia here is practically composed of practitioners in medicine, law, etc. They either possess no spare time to spend on cultural activities or have no interest in sinology. Secondly, we do not find here a Chinese cultural centre in existence. Last, but not least, the world-wide trade depression has hit the Chinese here hard. Under present conditions funds can hardly be raised satisfactorily here. In view of the financial stringency China Institute will carry out its plan step by step on a small scale. The intended work to be done first is the translation of Chinese books into Dutch and Malay. This requires comparatively a smaller working capital. Another work to be done is the compilation of a central catalogue of all Chinese books in all libraries throughout the Netherlands East Indies Dutch colony. While the work done already by China Institute which is worthy of mention here, is the invitation in January of Cheng Tian Shiao, chief of the Chinese Institute, of Fine Arts, Hangchow, on his way back from Europe to China, to give, in various cities in this island, exhibitions of Chinese paintings—which scored a success. It is reported that General Chang Chi-kiang, chairman of Kuo Shu Kuan at Nanking, with a group of Chinese pugilists will come to Java in July to give exhibitions of modern Chinese boxing. Probably it is advisable for him to communicate with China Institute for the arrangement of the exhibitions here.

No sooner had the China Institute come into existence than a certain group of Dutch intelligentzia came to it for its permission to establish a branch at Soerabaja, a big sea-port in East Java. They have the money and plan ready to make the branch function. Now the China Institute at Batavia is still considering the possibility and advisability of cooperating with the Rotary Club here.

What can China do for China Institute here? This is the question lingering in the minds of some people here. According to their opinion, the Chinese here have for decades been ever ready to respond to China's appeal for flood relief and funds for patriotic purposes, but China so far has practically done nothing for them in return. We feel that it would be quite proper and wise for the Nanking government to appropriate some money for the establishment of a building for the China Institute here, if she is in the position to do so. This is not a matter of "give and take," but rather a serious matter of international publicity and is by all means worth the money, because the China Institute will serve as a good channel for publicity of China abroad—which policy the Central Government has been pursuing.

Overseas Chinese Say, "Don't Throw Down the Gauntlet to Your Own Brethren"

"Don't throw down the gauntlet, and don't take it up." This is the earnest request of overseas Chinese sent to Canton and Nanking respectively in the form of telegrams and air missives at the outbreak of conflict recently between the Central Government and the Southwest. Chinese abroad, as their compatriots at home, all point out the fact that the enemy is already within our house, so internal conflict must be stopped immediately and instead all should fight together for the existence of the country.

Trade Inspection Group to Visit South Seas

Preparations are in full swing here in connection with the coming visit of the Chinese Trade Inspection Group to the South Seas, organized by the Chinese Industry and Foreign Trade Association at Shanghai. The Trade Inspection Group will start from Shanghai July 16 and will reach Soerabaja August 12.

China's Olympic Football Team Invincible Throughout the Netherlands East Indies

To the joy and satisfaction of the Chinese here China's Olympic Football Team which played several games throughout the Netherlands Indies on its way to Berlin has left this Dutch colony with an invincible record.

June 7 fourteen members of the China Team flew to Singapore, and that very afternoon they played against the Singapore Combined Services, a well-known strong team. Again, China Team won 4-0. Thence China Team proceeded to Sumatra where it defeated the Medan XI, the European XI, the O.S.V.B. (the East Sumatra XI), and the Indonesian XI by 2-0, 4-0, 2-0, and 5-2 respectively. Further, in Malay Peninsula it beat the Kedah XI with 8-1 goals, but it made a draw, 0-0, with the Penang XI.

Thus, not only throughout the Netherlands East Indies but also since it left Chinese soil en route for Berlin, China's Olympic Football Team so far up to Penang was invincible! Out of twenty games, eighteen were victorious and two resulted in draw games.

The Dutch press opinion here, while unanimously acknowledging the technique of China Team, especially their technique in head-ball, being one grade higher than that of the soccer world here, also predicted that the China Team would not get a good result in Berlin because it is only up to the standard of the second class European footbool teams, they assume.

Batavia, July 6, 1936.

A "Macclesfield" in Japan

(*American Silk and Rayon Journal*)

For more than a century the town of Macclesfield, England, has been famed as a silk production center. Its silks were known the world over as the finest and the name Macclesfield was synonymous with quality unsurpassed in dress silks and cravatings.

Apparently with the intention of trading upon Macclesfield's reputation, Japan has christened a village "Macclesfield" in order to sell their silks as "Macclesfield Silks."

Recently President Remer of the Macclesfield, England, Board of Trade, in calling this matter to the attention of the English House of Commons, requested that appropritae steps be taken to prevent the deception in home and colonial markets and that representation be made to the Japanese Government regarding it.

Central Bank Gives $400,000 to Buy Airplanes for Chiang's birthday

In celebration of General Chiang Kai-shek's fiftieth birthday, people of the entire country are contributing money to buy airplanes as gifts. The *Sin Wen Pao* say that the Board of Directors of the Central Bank of China July 17 decided to contribute $400,000 for the purchase of airplanes.

A special committee has been organized in Nanking to unify the raising of funds for the purchase of airplanes for presentation to the Central Government on the occasion of General Chiang's birthday, which falls on October 29.

Dr. H. H. Kung, Minister of Finance, General Ho Ying-chin, Minister of War, Dr. Weng Wen-hao, secretary-general of the Executive Yuan, Wang Hsiao-lai, prominent business leader in Shanghai, and Chow Tzu-jou, director of the Aviation Commission, have been appointed members of the standing committee, while a larger number of Government officials, university presidents and civic leaders will be invited to serve as directors and supervisors.

New Douglas Airliner Being Set Up for General Chiang Kai-shek at Lungwha

The *Shanghai Evening Post* states that a luxurious "flying office" for General Chiang Kai-shek, in the shape of a specially equipped Douglas DC-2 airliner, has reached Shanghai and is now being set up at Lunghwa Airdrome, headquarters for three other planes of the same type but fitted for carrying 14 passengers and air mail on lines of the China National Aviation Corporation. With their new craft the Generalissimo and his wife will have three-mile-a-minute cruising speed at their disposal, together with space and luxury unrivaled in any other plane in the Far East. The only thing approaching it in China is General Chang Hsueh-liang's Boeing, also specially fitted and of about the same speed but somewhat smaller.

Tri-Motored Junkers Plane Arrives Here for Eurasia Aviation Corporation

Piloted by Herr Lutz, the tri-motored Junkers Plane "JU 52", which is hired by the Eurasia Aviation Corporation from the Deutsche Lufthansa in Berlin, arrived in Shanghai July 16 from Hongkong. A gathering of about thirty people, including representatives of the German Consulate General and the German Chamber of Commerce and officials of the Eurasia Corporation, were at the Lunghwa Airdrome to extend their welcome to the new plane. In addition to Herr Lutz, two other members of the Deutsche Lufthansa followed the plane here. These included Herr Leiding, assistant pilot, and Herr Jeude, wireless operator. The plane carried no passengers.

Kwangtung Airforce Reorganized—Many Planes Sent to Other Points

Twenty-three airplanes, including heavy bombers, comprising the Sixth Air Corps of the Central Armies, arrived in Canton July 23 from Shaokwan for service in the province. The Kwangtung Air Force, whose strength last month exceeded 60 aircraft, will be thoroughly reorganized, and all planes, save about 20, will be dispatched to Hangchow, Nanchang, Wuhan and Chengtu.

Over 50,000 people gathered at the Public Recreation Ground in Nanchang July 21 to participate in a mass meeting of welcome for the aviation officers and instructors of the Kwangtung Air Force who had arrived there the previous day with over 40 airplanes.

Pan-American Airways Has Huge Waiting List of Persons Wishing to Cross Pacific by Air

Officials of Pan-American Airways predict that there will be more than 1,000 persons on the waiting list for tickets when the company inaugurates passenger service on the trans-Pacific air line. Requests for reservations, already considerable in number, have been increasing daily, the officials stated in San Francisco July 16.

United States to Extend Air Network to Pacific Islands

According to a Honolulu dispatch to the *New York Times*, the United States Government has decided to develop the uninhabited islands of Jarvis, Howland and Baker in the Southern Pacific, which it acquired some time ago, in order to strengthen and expand its aerial network in the Pacific as air bases.

Bermuda-New York Air Service to Be Inaugurated This Autumn

A regular weekly air service between Bermuda and New York will be inaugurated this autumn by Imperial Airways.

Japanese Naval Planes Collide Near Kagoshima

Two pilots were seriously injured in a collision of two Japanese naval planes, exercising over Mount Kunimi, near Kagoshima on the night of July 18.

Consolidated Aircraft Corporation Gets Order for Fifty U.S. Navy Planes

An order for fifty airplanes for the United States Navy has been received by the Consolidated Aircraft Corporation, according to an announcement by officials of the Corporation July 16. The contract, it is reported, involves an amount totalling $4,898,000.

Aviatrix Is Asked to Serve As Bandits' Intermediary

Central News says Miss Lin Peng-hsia, noted aviatrix and a native of Fukien, has been requested by bandits operating in Putien and Hsienyou in coastal Fukien between Foochow and Amoy to serve as an intermediary with the Government authorities. The bandits, estimated at about 1,000 men strong with 800 rifles, have expressed the willingness to surrender and are asking to be incorporated into regular Government troops.

Spanish Government Decorates Filipino Flyers

The Spanish Minister of Marine, Senor Jose Giral, July 15 presented to Antonio Arnaiz and Juan Calvo, Filipino aviators who arrived in Madrid recently from Manila, the Cross of Naval Merit.

Chinese Aviator Flies from Philippines to Hongkong

Lin Chieh-chin, Chinese aviator in the Philippines, arrived in Hongkong from Manila in his own airplane July 21 accompanied by his wife, nee Huang Jui-lan. The couple were due to fly to Shanghai en route to Nanking before coming to Foochow, his native city.

Tokyo Holds Air Defense Maneuvers

Air defense maneuvers, involving the 7,000,000 residents of Tokyo, Yokohama and Kawasaki, took place several days this week, with the main emphasis being placed on the control of lighting. Business and traffic remained nearly normal, on the supposition that the hypothetical enemy fleet approaching Japan from the east was still 2,500 kilometers from Tokyo at noon July 21. Meanwhile, scores of imaginary enemy heavy bombers were nearing Tokyo from the west, passing over Sompeitze, in Outer Mongolia.

Sixty "enemy" bombers, which had crossed Manchukuo's border from Outer Mongolia the previous day, roared over Tokyo, Yokohama and Kawasaki, on the evening of July 22 as a spectacular sequel to the annual preliminary air defense maneuvers. While the Capital itself escaped the attention of the attackers, the Tokyo waterfront and the cities of Yokohama and Kawasaki were bombed by the "invaders." The approach of the enemy planes was announced by radio, ships' and factory sirens and rockets. The signal plunged the three cities into complete darkness, although factories continued to operate with shaded lights and closed doors. Vehicular traffic was greatly slowed down. Some 330,000 members of the Volunteer Defense Corps took an active part in the games, while millions of others followed the development of the maneuvers by radio. The air maneuvers came to an end early in the morning of July 24.

New Aviation Bureau in Japan to Be Controlled by Cabinet

Unable to come to an understanding for the immediate creation of an Aviation Ministry, to promote civil aviation in Japan, officials of the Ministries of War, Navy and Communications agreed July 22 on a compromise plan providing for the establishment of an aviation bureau, directly controlled by the Cabinet. The plan for the formation of an independent Ministry was sponsored by the Army.

The Tokyo War Office announced July 25 that Japan's military air force will become an independent branch of the Army on August 1. The eight air regiments, which thus far have belonged to various divisions, will here after be controlled by the Army Air Force Headquarters. The Navy Department is opposing the Army's plan for a separate Air Ministry.

Japan to Have Four New Air Routes in October

Four regular air routes, with a total length of 2,000 kilometers, will be inaugurated on Oct. 1, the Tokyo Minister of Communications announced July 27. The new lines will be:

Tokyo-Nagano-Niigata, on the Japan Sea Coast, 380 kilometers, two hours; Osaka-Toyama-Nagano, Central Japan, 590 klms., three hours; Osaka-Tottori-Matsue, Japan Sea Coast, 350 klms., 1 hour, 50 m.; and Osaka-Tokushima-Korchi, Shikoku Island, 350 klms., 1 hr. 50 m.

Central Board Will Petition for Abolition of Canton Film Censorship

To protect the interests of Chinese movie producers as well as foreign distributors, the Central Motion Picture Censorship Board will shortly petition the Central Government to order the abolition of the Canton Censorship Board created by the former Kwangtung authorities, information from the Nanking Board this week revealed. A previous order to a similar effect, a spokesman of the Board explained, was issued by the Executive Yuan last year, but owing to the special conditions then existing in Kwangtung, both Chinese and foreign movie companies had to submit their pictures to the Canton Board for review before they could be shown in that city. A fee of $3 was charged for each reel of picture reviewed. With the peaceful solution of the Liang-Kwang situation, the spokesman said, the double censorship system is expected to be abolished before long.

Income Tax Is Defended by Member of Legisative Yuan

The cynical attitude held by some people toward the imminent enforcement of the Income Tax by the Central Government, was challenged in a recent statement by Chen Chang-heng, member of the Legislative Yuan. Mr. Chen said the tax is commendable from the financial point of view for the following reasons: It is amenable to the principle of universality in taxation, as it is broadly applicable; it may be levied either on the progressive or graduated basis for the sake of equity; its proceeds are most resourceful and reliable; its rates may be revised yearly to meet financial circumstances; and it is imposed upon receipts and not capital. Politically, Mr. Chen opined, the imposition of the tax will arouse a greater public interest in politics. As they haev paid the tax, they will naturally keep an eye over the appropriation of the proceeds derived therefrom.

Socially, he added, the imposition tends to effect a more equitable distribution of wealth. A large portion of the proceeds will be used for the promotion of social enterprises.

Nanking Finance Expert Defends Income Tax Procedure

Imposition of income tax on profits of corporations as well as on interest from debentures and bonds is in no way a case of double taxation, declared a public finance expert in Nanking July 20. Theoretically speaking, the expert pointed out, a corporation is a juridicial person while its shareholders are individuals. Being two different units in the eye of law they enjoy double rights and should logically be answerable to double duties. Besides, he said, a tax on corporation incomes and on interest from debentures and bonds is not initiated by China. He mentioned the existence of a similar rule in England, America and France. Regarding the criticism that rates on the two said levies are too high the expert said that it had been the policy of the government that incomes from business activities should bear heavier taxes than salaries and ordinary fruits of labor.

Dr. Kung Explains Income Tax Procedure

General misconceptions that the new income tax rates are high were corrected by Dr. H. H. Kung, Minister of Finance, in an interview with a representative of the *Central News* Agency in Nanking July 21. Citing figures of the direct tax now enforced in foreign countries to support his contention, Dr. Kung asserted that China's income tax rates are lower than those enforced in Great Britain, the United States, Germany and Japan. According to the British system, Dr. Kung said, the income tax on every pound of annual income is 4 shillings 6 pence, starting from £100. Excess tax is also levied on net income exceeding £2,000 annually. In the United States, the Finance Minister said, a 4 percent tax is imposed on an annual net income reaching U. S. $1,000. For net income exceeding U. S. $4,000, tax rates vary from 5 percent to 59 precent. In Germany, according to Dr. Kung, 10 percent is imposed on an annual net income between 1,100 marks and 8,000 marks. For net income exceeding 8,000 marks, the rates vary from 12.5 percent to 40 percent.

In Japan, Dr. Kung continued, a tax of from 8 percent to 36 percent is imposed on annual net income exceeding 600 yen.

Dwelling on the general question, Dr. Kung stated that in introducing this new direct tax in China, the Central Government will rely on the good faith of the taxpayers, who will be asked to file income statistics with the tax offices. But upon the discovery of evasions, heavy punishment will be imposed.

Many Exorbitant Taxes Abolished

Up to date, the amount of exorbitant taxes and miscellaneous levies abolished in various provinces totals $51 millions, according to figures compiled by the Ministry of Finance. Since the convocation of the 5th National Congress of Kuomintang Delegates in November last, Fukien province has abolished such irregular taxes to the amount of over $2 millions; Kansu, more than $10,000; and Shantung, upwards of $22,000. Other provinces have done much better. In order to further alleviate the plight of the people, the Ministry of Finance is paying special attention to the removal of other unnecessary burdens on the people and putting the system of local taxation on the right track, according to *Kuo Min*.

Shensi Secures Large Loan from Farmers' Bank

The Shensi Provincial Government has obtained a loan of $300,000 from the Farmers' Bank of China to finance credit loans to needy farmers in North Shensi where large numbers of villages were devastated by bandits.

To meet the urgent need of subsidiary currency in the province, the Szechwan Provincial Government has put into circulation $300,000 of subsidiary notes formerly printed by the Chungking banks. The notes are secured on $300,000 of legal tender notes issued by the Government banks.

The Ministry of Finance has received a petition from the Central Mint, requesting that all confiscated copper coins be immediately handed over to the Mint. The Ministry has ordered the Customs authorities to act accordingly.

The total amount of silver reserves in Tientsin and Peiping is estimated at $39,374,201, $15,558,541 respectively, according to an announcement of the Hopei and Chahar Political Council July 27.

Central Bank of China to Be Reorganized This Winter

According to financial circles, quoted by the *Chungwajihpao* July 17, the Central Bank of China will be reorganized this coming winter. Dr. Kinnwei Shaw, Assistant Manager of the Banking Department of the Bank, has gone to Japan to investigate banking conditions there. It is reported that the Central Bank of China, after its reorganization, will have $40,000,000 or 40 per cent of its total capital, subscribed by the public.

Northern Szechuen Salt Commissionership Abolished

The Ministry of Finance has announced the abolition of the post of Deputy Salt Commissioner for the Chuanpei (northern Szechuen) Area as from July. An order to this effect has been issued to the Salt Commissioner for Szechuan.

Finance Ministry to Have Provisional Office at Kuling

In order that his summer vacation at Kuling will not interfere with his official duties, Dr. H. H. Kung, Minister of Finance, has decided to set up a provisional office at the famous Kiangsi summer resort.

Enforcement of Income Tax Is Postponed Until September 1

The date for the enforcement of the Income Tax, which was originally fixed for August 1, has been postponed to September 1 by the Ministry of Finance. The postponement, according to the Ministry, has been made in view of the complicated procedure involved in the levy.

Meanwhile, according to *Central News*, detailed regulations governing the new direct tax will be presented to the public, whose opinions regarding them will be solicited.

Japanese Financiers to Organize Immovable Property Bank in Shanghai

While the plan of the Chinese Government to organize an Immovable Property Bank has not yet been realized, the Japanese financiers are organizing an Immovable Property Bank in Shanghai. According to Japanese sources, the President of the Sino-Japanese Trade Association, organized after the visit to Japan by the Chinese Economic Mission last year, will come to Shanghai in the near future to establish close contacts with Chinese business leaders for the realization of the so-called Sino-Japanese economic cooperation and the establishment of the said bank.

Japanese Banks to Issue Bank Notes in Shanghai

The Japanese banks in Shanghai are stated to be planning to issue $200,000,000 bank notes jointly. It is reported that the Japanese Yokohama Specie Bank will be the leader in this enterprise.

Japanese Gold Notes to Be Circulated in North China

The *Shun Pao* July 27 stated that the Japanese Chosen Bank will issue Japanese gold yen notes and circulate them in North China. The object is to dominate the finances of North China.

Nanking Had Given $600,000 Monthly Subsidy to Canton

The *Ta Kung Pao* July 22 printed a telegram from Nanking stating that it had been revealed that the National Government had given $600,000 subsidy monthly to the Kwangtung authorities before the retirement of General Chen Chi-tang. It was further reported that General Chen failed to remit the "national" revenues of the Kwangtung province to Nanking.

Optimistic over the future financial situation in Kwangtung, Dr. H. H. Kung, Minister of Finance, in an interview at Nanking July 20 said that as he had himself spent many years in Kwangtung in the past, he was well acquainted with the financial and monetary situation there. He firmly believes that if the efforts to effect readjustments are successful not only will Kwangtung become self-supporting, but a surplus will be available to meet the service of China's foreign loan obligations.

General Yu Han-mou, Pacification Commissioner for Kwangtung, telegraphed to Dr. H. H. Kung, Minister of Finance, July 22 welcoming the decision of the Government to despatch Tsou Lin, Political Vice-Minister of Finance, to Kwangtung to investigate the financial situation.

A Canton message July 27 stated that in view of the changed political situation in the province, the Kwangtung Conservancy Commission has dropped its plans of issuing $100,000,000 worth of treasury notes ostensibly to be spent on various conservancy and hydraulic projects.

T. L. Soong Finds a Shortage of More Than Six Millions in Kwangtung's Accounts

A thorough checking of revenue and silver accounts of the Kwangtung treasury by T. L. Soong, the new Kwangtung Finance

Commissioner, revealed a shortage of from $6 to $7 million, a message from Canton July 25 stated. Information from private sources was to the effect that the missing funds were taken away by Ou Fang-pu, the former Finance Commissioner, on instructions of Gen. Chen Chi-tang shortly before their departure for Hongkong.

Commenting on the rehabilitation of Kwangtung's finances, the *China Times* in an editorial July 25 said:—"We must pay special attention to two points: In unifying the currency the authorities should seek the cooperation of the people so that the latter will not suffer through the sudden cancellation of the Kwangtung paper notes and the small money coins; special attention should be paid to the financial administration so that no one will be able to get a "squeeze" out of the Government revenue.

The agreement governing economic cooperation between Kwangtung and Kwangsi concluded by the Kwangtung and Kwangsi authorities during the recent crisis has been annulled by the Kwangtung Provincial Department of Finance, of which T. L. Soong is Commissioner.

Wu Chien-tao, newly appointed Director of the Consolidated Tax Bureau for the Kwangtung-Kwangsi-Fukien Area, was inducted into office July 27.

Rehabilitation of military and financial conditions of Kwangtung continues on a feverish pace under the respective direction of Gen. Yu Han-mou, the new Pacification Commissioner, and T. L. Soong, the new Finance Commissioner. Preliminary checking of all accounts of the provincial treasury having come to a head, T. L. Soong has summoned a provincial financial conference to be held on August 1 to go into detailed measures for rehabilitation.

To increase the silver reserve in the provincial treasury as backing of notes issued, T. L. Soong, Kwangtung Finance Commissioner, has announced the continuance of the silver purchasing policy at a premium of 2 percent.

Currency Statistics of Kwangtung

Investigations made by the Kwangtung Currency Reserve Board reveal that there are $80,390,000 of Kwangtung small money, $19,550,000 of Kwangtung big money, and $241,080,000 of provincial notes already issued. It is reported that the "national" revenue of Kwangtung totalled $44,000,000 in 1932. In 1933 the Customs and salt revenue in Kwangtung alone amounted to $35,000,000.

T. L. Soong Calls on Canton Gambling Magnate to Pay Up Back Taxes

It has been discovered that Ho Chih-ting, one of the operators of the big gambling resort at Shumchun, near Kowloon, has delayed payment of a "gambling tax" of $7,000,000 due to the Kwangtung Provincial Treasury. With the approval of the Ministry of Finance, T. L. Soong, new Provincial Commissioner of Finance for Kwangtung, has ordered Ho and his partners to pay the sum in arrears within one week, threatening to confiscate the properties of the owners if they fail to do so. General Chen Wei-chou, brother of General Chen Chi-tang and former Salt Commissioner for the Liang-Kwang District, is said to be one of the partness in the gambling rendezvous.

Tokyo Press Fears Results of Alleged Chinese Agreement with United States

The Tokyo *Nichi Nichi*, July 21, in noting that that K. P. Chen and party stopped over in the Philippines on their return from the United States, stated that Mr. Chen had concluded a special agreement between the Philippines Commonwealth and China which would discriminate against Japanese goods in favor of Chinese goods. The *Nichi Nichi* repeated previous press reports that the Sino-American agreement contained provisions for the purchase by China of munitions in the United States.

Regarding the 100,000,000 yuan loan allegedly arranged between China and Germany, the *Nichi Nichi* commented that in view of the fact that the British firm of Arnhold & Co. and Mr. Nicholson of the Hongkong & Shanghai Bank were participating in the arrangements, it was clear that the agreement had been made with British understanding.

Tokyo Press Comment on Alleged Sino-American Pact

A *Domei* message from Tokyo July 22 stated that while the Foreign Office still lacked official information regarding the terms of the alleged Sino-American credit agreement, the Japanese press featured the story in news and editorial columns. The papers asserted that the agreement followed closely the pattern of the alleged Sino-German pact, which assertedly provided for the barter of a $100,000,000 worth of Chinese staples for. German machinery and munitions, "to aid China in resisting Japan."

"Chinese Culture" Urges China to Join Soviet Russia

That China should join Soviet Russia in the latter's struggle for world peace was strongly advocated in an article published in *Chinese Culture* on July 15.

As regards the Sino-German agreement, *Chinese Culture* commented: "As true citizens of the Chinese nation, we cannot agree with the conclusion of such an agreement. And it is our sincere hope that those who do not wish to be slaves will realize the significance of such an agreement."

Chinese Silver Not to Be Used to Buy Ammunition in U. S.

Officials of the United States Treasury on July 21 issued a denial through the *New York Times* of the rumors that the funds secured by China by selling her silver to America would be utilized for the purchase of American munitions. The *Times* recalled a statement of Henry Morgenthau, Secretary of the Treasury, made at the signing of the Sino-American agreement, that Nanking intended to stabilize the Chinese currency system by selling its silver abroad.

According to the Shanghai *Mainichi*, K.P. Chen, General Manager of the Shanghai Commercial and Savings Bank, is extremely pessimistic, as a result of his failure to conclude the Sino-American loan. After noting that Mr. Chen proceeded to the United States with the object of increasing America's credit to China, and to conclude a loan of an enormous figure, the *Mainichi* stated that Mr. Chen's proposals were rejected by the American authorities owing to the following reasons: The relations between China and Japan have not yet been adjusted; China is not yet united; and the depression in the United States is still at its height. All Mr. Chen has achieved is the conclusion of the silver agreement, the *Mainichi* said.

Four Chinese Youths Imprisoned for Expressing Excessive Sympathy Toward Soviets

The Shanghai *Mainichi* July 24 stated that on the previous day four Chinese youths had each been sentenced to two and-a-half years' imprisonment, after conviction on a charge of publishing a periodical expressing sympathy toward Soviet Russia. The four youths were arrested by the police of the French Concession in June. News reports pertaining to the arrest and conviction of the four students referred to in this report apparently were banned as none of the Chinese newspapers or news agencies printed anything about the incident. One of the Chinese news agencies admitted the report was correct but was not able to supply the names of the students who had been imprisoned.

Japan's Trade with China

The following figures show Japan's trade with China during the four months ended April 30, 1935 and 1936. The figures are in thousands. For example: Yen 40,485, read Yen 40,485,000.

	Exports from Japan		*Imports into Japan*		*Total Imports and Exports*	
	Jan.-April 1935 *Yen* (000's)	*Jan.-April* 1936 *Yen* (000's)	*Jan.-April* 1935 *Yen* (000's)	*Jan.-April* 1936 *Yen* (000's)	*Jan.-April* 1935 *Yen* (000's)	*Jan.-April* 1936 *Yen* (000's)
Manchukuo	40,485	45,949	73,648	90,278	114,133	136,227
Province						
Kwantung	93,864	104,378	9,039	10,907	102,903	115,285
China	55,033	45,086	35,425	45,171	90,458	90,257
Hongkong	14,328	16,964	460	992	14,788	12,956
Total	203,710	212,377	118,572	147,348	322,282	354,725

By Months	*Exports* 1935 *Yen*(000's)	1936 *Yen*(000's)	*Imports* 1935 *Yen*(000's)	1936 *Yen*(000's)
January	37,733	40,834	28,932	38,829
February	44,747	50,058	28,610	37,238
March	58,941	60,949	31,785	38,802
April	62,289	60,536	29,245	32,479
Total	203,710	212,377	118,572	147,348

Japan's total foreign trade for the four months ended April 30, 1935 and 1936 was as follows:—

	1935 *Yen*(000's)	1936 *Yen*(000's)
Imports	1,019,891	927,951
Exports	789,673	766,780
Total	1,809,564	1,694,731

—(*British Chamber of Commerce Journal, Shanghai, for June*)

Chinese National Sugar Production Association Inaugurated

In order to promote the development of the domestic sugar industry, a Chinese National Native Sugar Production and Sugar Cooperative Association was organized in Shanghai July 27. The Association is organized with the support of sugar merchants throughout the country, and with the approval of the Ministry of Finance. Its aim is to combat the smuggling of sugar and to organize and develop the domestic sugar industry along cooperative lines. Branches of the Association will be established at Swatow, Canton, Pakhoi, Amoy, Hankow, Wenchow, Hsuchow and Chengchow.

The Association will be headed by Feng Jui, Director of the Agriculture and Forestry Bureau of Kwangtung Province. On the Board of Management of the group will be representatives of Shanghai merchants and sugar refiners in Szechwan and Kwangsi. Serving as a clearing house of the entire modernization program to improve sales and refining methods, the Association will group together eight refineries scattered in Kwangtung, Shantung and Kwangsi. Another refining plant, now being organized in Szechwan, will also join the Association when production starts.

The main project of the Association's activities will be to make available the results of research to various refiners. With this up-to-date information, the producers in various provinces will be able to standardize their quality in order to compete with imported sugar. Also, the Association will direct the sales of sugar in this country. Through an expert staff, the market in various places will be studied with a view of putting Chinese-produced sugar, instead of the imported product, in every household in the country. This united front in production and sales is made necessary, organizers of the Association said, because of the tremendous amount of imported sugar which floods the Chinese market each year. The total average consumption of imported sugar is about 20,000,000 piculs each year. This means, the Chinese sugar merchants explained, that about $200,000,000 is flowing annually to foreign countries from China on sugar import alone. With the organization of the new central body to control the sales and standardize the products, the Chinese merchants hope that a slice of the huge market will be regained.

Second National Conference of Child Welfare Leaders Opens Next Week

Eleven members of the Secretariat of the National Child Welfare Association of China, departed for Tsingtao July 30 in order to make preparations for the Second National Conference of Child Welfare Leaders to be held in Tsingtao next month.

The second national conference, which has been convened by the National Child Welfare Association of China, will hold its opening ceremony on August 4, when Dr. H. H. Kung, President of the Association and Admiral Shen Hung-lieh, Mayor of Tsingtao, will be among the principal speakers on the occasion.

"Foundation of the Nation through Child Welfare" will be the main theme of the Conference. One hundred and twenty proposals on various phases of child welfare, which have been sent by delegates, will be submitted to the Conference for discussion. The proposals to be discussed by the Conference will be classified into six sections, namely child welfare administration, child health, child relief, child study, child protection and child education.

The Conference will be attended by leaders of child welfare organizations throughout the country, experts on child education and child health and representatives of the civil commissions and Social Affairs Bureaus of each province. There are about 150 delegates in number.

The delegates from Shanghai to the Conference include Dr. F. C. Yen, S. U. Zau, Dr. and Mrs. W. S. New, Mrs. Huang Sui-feng, Geo. A. Fitch, Dr. R. Y. Lo, Andrew V. Wu, and Mrs. Herman C. E. Liu,.

China Stated to Be Seeking £20,000,000 International Loan

Reports again were persistent in London, July 29, that China is seeking a large loan for economic development. The amount is rumored to be £20,000,000 which, it is stated, will be furnished by Great Britain, France, Belgium, and Japan. London financiers emphasize the political importance to be derived from the joint interest of the four Powers in the stability of China, and state that negotiations must be complicated and very protracted. The security for the loan, they add, will not be the least of the difficulties.

Meanwhile, the continual feelers from Japan for an understanding with Britain are arousing wide interest in London. The latest was an article in the Tokyo *Asahi* of July 28, emphasizing the importance of reviving Anglo-Japanese friendship. It is known that no diplomatic feelers from Japan have hitherto been made, but the possibility of a diplomatic follow-up is not excluded. Extremist influence in Japan's foreign policy is said to be one of the principal difficulties.

Chief of Nanking Accounts Department Missing, Accounts Allegedly Short

A *Central News* message from Nanking, July 29 stated Chinese and foreign Settlement authorities throughout the country have been requested by the Nanking City Government to help in locating the whereabouts of Hsu Wencheng, chief of the Accounts Department of the Municipal Secretariat, who disappeared with his wife on July 4, with it it alleged, $30,000 of public funds. Mr. Hsu and his wife last were reported to be hiding in Shanghai. A native of Anshun, Kweichow, Mr. Hsu, who is aged 38, went to Shanghai on July 4, on leave, having informed his superiors of the death of a relative in Shanghai. He asked for leave until July 11. The city authorities became suspicious and on July 15 discovered that Mr. Hsu had apparently misappropriated more than $30,000. A reward of $3,000 was offered by the City Government for his arrest, or $1,000 for information leading to arrest. The City Government has announced that the loss will be recovered, as a request has been made to the Kweichow government to confiscate Hsu's property in his native district, which he inherited. Immediately after the default became known, Wang Shu-fang, Secretary-General of the City Government, held himself responsible and tendered his resignation. Hailing from the same district, Hsu was invited by Mr. Wang to join the City Government last year, when Ma Chao-tsun assumed the Mayoralty of Nanking.

White Raw Silk Exports to Be Examined by Government Testing Bureau

According to an instruction given by the Ministry of Industry to the Government Testing Bureau of Shanghai all white steam filatures (silk) for export abroad through the port of Shanghai will be subject to the quality tests of the bureau beginning from the first day of August. The bureau has been exercising quality tests at the option of the silk merchant for more than six years and is now making it compulsory. The quality tests are those for the size, evenness, cleanness, neatness, strength winding, etc., all to be performed under standard air conditions and in accordance with the test methods and procedures universally adopted. Hereafter, no export certificate will be issued if the silk is not passed in the conditioning and quality tests, on which transactions are to be based in the markets both local and abroad.

Japanese Officials Come to China to Study Financial Conditions

Yutaro Tomita, Japanese Financial Commissioner in London, and Minoru Inamori, secretary of the Finance Ministry, arrived in Shanghai this week from Tsingtao to study economic conditions. Mr. Tomita is making the tour to equip him with information on the financial conditions in this country, prior to his return to London. Mr. Inamori, according to local Japanese papers, will be appointed the Treasury's first resident official in China next September. His offices will be established in Tientsin and here.

Hearing of Kleffel Case Postponed, Owing to Illness of Appellant

The hearing on appeal of Julius Kleffel was scheduled to have been held in the 2nd Kiangsu High Court July 29, but was postponed until August 5 owing to the illness of Mr. Kleffel. Mr. Kleffel, former Manager of the defunct American-Oriental Banking Corporation, was sentenced last March to six months' imprisonment after the First Special District Court had adjudged him guilty of breach of confidence in connection with the disappearance of money from the safe-keeping vaults of the bank.

Sikh Watchmen Sentenced to Death in British Court in Shanghai

In sentencing a Sikh to death for murder in the British Supreme Court in Shanghai July 29, Judge P. Grant Jones said, "It is written in an old book that whosoever sheddeth a man's blood, by man his blood shall be shed, and no man may challenge the justice of that law." Umar Din had been found guilty by a jury in of the murder of Farid Buksh, a fellow watchman employed by the National Industrial Bank of China, 130 Peking Road, on May 29. The defense was insanity. In summing up, the Judge warned the jury against "that stupid fallacy common among coroners" of bringing in a verdict of suicide while temporarily insane. There was no support for such a statement.

Eighteen Korean Communists Executed in Prison Compound at Seoul

Eighteen Korean communists, whose death sentence was confirmed by the Court of Appeal at Seoul on June 18, were executed July 22 in the compound of the prison in the Korean capital, according to an official announcement issued the following day.

The Montreux Convention and Its Lessons for China

BY C. Y. W. MENG 孟昭泳

AFTER six weeks, the conference on Turkey's request for remilitarization of the Dardanelles has come to an end. The new Convention and the Protocool permit Turkey to proceed with the re-militarization of the Straits. On July 21, the Turkish Army took possession of the Straits Zone. All Turkey was decorated with flags and loud speakers broadcast the signing of the Montreux Convention. Patriotic programs continued throughout the entire night.

It is not necessary for us to give any account of the Straits Problem, save to point out that it is only another long struggle on the part of a weak and defeated nation to liberate itself from the yokes of out-of-date treaties which the nation considered "disgraceful and humilitating," imposed on the defeated by the victor, and as a result of which the former had to put one of their strategical territories under international control. Due to the defeat of Germany and its Allies, and by the Treaty of Sevres, the Straits were neutralized, and put under the control of a Straits Commission composed of the representatives of Great Britian, France, Italy, Japan and Greece.

The fact that the Turkish nation is holding nation-wide celebrations on the "re-entrance" and "re-occupation" of the Straits should give inspiration to the millions of Chinese intelligentsia. The Japanese victory over Russia in 1905 inspired the Chinese and Manchu Court with the belief that an Asiatic Nation, by the adoption of western methods and institutions, was capable of attaining parity with the western powers. Impelled by this conviction, a constitutional commission was despatched to foreign countries to study the various systems of constitutional government and to report their findings for a constitutional system of government for China. Like the Abyssinian resistance against the Italian invasion, it was most effective in compelling the Chinese peope to reflect, to feel a new shame, to gain a new inspiration, and to ask themselves: "Cannot we follow the example of Abyssinia?"

When Will China Re-Fortify the Taku Forts and March to the Demilitarized Zones?

In China, we also have "dismantled forts," "demilitarized zones," etc. By the Protocol of 1901, China "recognized the right of each power to maintain a permanent guard in the said quarters for the defence of its legation," and China "consented to raze the forts of Taku and those which might impede free communications betwen Peking and the sea." By the "Shanghai Armistice" of 1932, a "demilitarized zone" was created near Shanghai where no Chinese regular troops could stay except some gendarmerie. By the "Tangku Armistice" of 1933 Chinese troops were withdrawn "to regions west and south of a line connecting Yenching, Changping, Kaolimen, Shunyi, Tungchow, Hsiangho, Paoti, Lintingchen, Ningho, and Lutia," thus creating another "demilitarized zone" in North China, now known as the "Liaotung Demilitarized District."

While the latter two came into existence about three years ago under the Nationalist regime, the former had a long history spread over more than three-and-half decades, and they are still in existence today! Chinese diplomatic history is already a long record of humiliations and defeats. The signing of these "disgraceful" treaties and agreements only adds to the long list of national humiliations and defeats!

Today, on board of the steamers entering Tientsin, the passengers will be surprised to see that such strategic places as Taku, the gate to Tientsin and Peiping, are now entirely unfortified. Not only this, on the way between the sea and Peiping, there are stationed many foreign troops of various nationalities. Due to aggressive motives, the number of Japanese troops is many times larger than what is permitted by the treaty. When the Chinese troops tried to lay mines near Taku, during the civil war, the powers protested. When the National Government transported its troops to Shanghai on the way to Fukien to suppress the "Fukien Rebellion," Japan protested. Worst of all, in the case of the "demilitarized zone" in North China, it is only demilitarized for the Chinese, as there are no Chinese troops; but it is not a demilitarized zone for the Japanese as there are plenty of Japanese troops, though by agreement, both of them should withdraw. That is to say, the Chinese—the legitimate owners of the territory—have to withdraw all their troops, while the Japanese—the invaders—remain. The signing of the Montreux Convention should inspire us and compel us to ask: "When will we re-fortify our Taku Forts?" "When will we march to the demilitarized zones?" "Can we not follow the example of Turkey?"

The year 1936 has witnessed many restorations and re-occupations of territories by their former rightful owners, such as the restoration of the Saarland to Germany, of re-occupation of the Rhineland by Germany, and the latest, the re-occupation and re-militarization of the Straits by Turkey. Will the same year also witness the restoration of the many "lost territories" to China, and "re-fortification" of the razed forts and re-occupation of the demilitarized zones by China?

A "Sick Man" vs. a "Sleeping Lion"

Here is a weak and defeated nation, traditionally known as the "sick man" of the Near East. But due to the efforts of its energetic president and the patriotism of its people, this "sick man" has now recovered from his age-long illness, and has reconstructed the nation and has got rid of many of the "yokes" of the unequal treaties. But in China, the unequal treaties, etc., are still in existence; foreign troops and gunboats still remain on Chinese soil and in Chinese waters; and many of our "demilitarized zones" are not yet "re-occupied" and "re-militarized" by us. The present situation in China reminds us vividly that there is something wrong with us, and that this "sleeping lion" of the Far East must quickly wake up, and must double his efforts to liberate himself.

Doctrine of Rebus Sic Stantibus

In the summer of 1933, the Turkish government made a request to the powers concerned with the Straits Problem for a revision of the treaty. In April, 1935, Turkey brought up the matter at the meeting of the League of Nations, but was opposed by Great Britain and France, and nothing resulted. Taking advantage of the abrogation of the Lausanne Treaty by Germany, Turkey made another demand for the revision of the treaty and for the re-militarization of the Straits. She demanded this largely on the Doctrine of Rebus Sic Stantibus, and the application of Article 19 of the League Covenant, which reads as follows:—

> "The Assembly may from time to time advise the reconsideration by members of the League of treaties which have become inapplicable and the considerations of international conditions whose continuance might endanger the peace of the world."

If the Doctrine of Rebus Sic Stantibus and Article 19 could be applied to the Turkish case, it is the conviction of the Chinese intelligentsia that they should be more applicable to the Chinese case. The Chinese leaders and diplomats should at once file a petition to the League of Nations for the revision of the unequal treaties by invoking Article 19. Our failure in the past to secure the abrogation or revision of the unequal treaties, the abolition of the many "special privilges" which the foreign nations have been enjoying in China for three-quarters of a century, the "re-militarization" and "re-occupation" of Chinese forts and demilitarized zones, only warn us that we, the Chinese, have not fought hard enough, as the Germans and Turks did, in liberating ourselves, and that it further reminds us that we have to fight harder than before; and that we should not only talk about the "revolutionary diplomacy" but we should "enforce" our revolutionary diplomacy. As expressed in Montreux circles "this is the first time that the revision of one of the peace treaties had been arrived at by means of legal methods." Will we also fight hard to seek the revision of our many "peace treaties," or the unequal treaties, as we used to call them, by means of legal methods? Will the same spirit of the Montreux Convention prevail with the Chinese case? So the signing of the Montreux Convention convinces and encourages us that the revision of the peace treaties is quite possible, if we will only fight hard!

A Good Lesson for the Nanking "Isolationists"

The Chinese saying has it that "a weak nation has no diplomacy" 弱國無外交, meaning that a weak nation can not exercise her diplomacy, while only big powers can. The signing of the Montreux Convention, which constitutes another great success in Turkish diplomacy, should be sufficient to remind the Chinese of the fallacy of the old saying. As most observers know, the Turkish success this time owes much to the Russian co-operation. The more weak a nation is, the more it should resort to diplomacy to save itself. The Turkish success should give a great deal of food for thought to the Chinese leaders and diplomats who believe in the "isolation policy," or a policy of "no co-operation with Russia," no Sino-Russo-American co-operation," "no Anglo-American co-operation," etc., but keep on talking lots of "self-isms," in face of Japanese militarism and aggression. In our opinion it was our "isolation policy" which made the Japanese invasion of Manchuria possible; and it is due to lack of "co-operation" with other powers at the outset of the Japanese invasion that made the extension of Japanese aggression from outside of the Great Wall to the inside possible. To us, it is nothing "dangerous" to form an accord with Russia; and it is nothing "impracticable" to form the Sino-Russo-American and Anglo-American co-operation, to save the whole situation in the Far East. The signing of the Montreux Convention reminds us that we should

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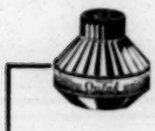

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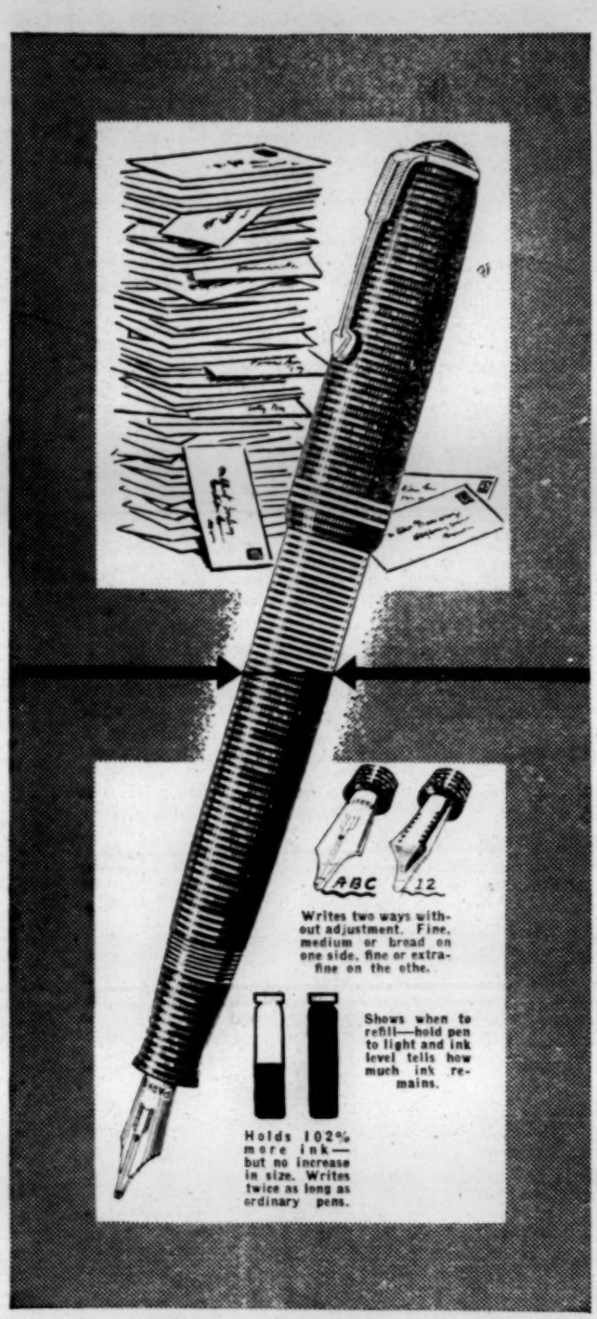
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12
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discard our blundering policy of isolation, and instead resort to more diplomacy to save ourselves!

A "Victory" Necessary

While, today, the Turkish people are holding their jubilee, we must not forget the blood of their brothers which was spilled in the Turko-Greecian War in 1932. As a result of the Turkish "victory" over Greece—one of the powers which controls the Straits—the Lausanne Conference was held, and the powers agreed to allow the partial resotration of the Straits to Turkey. It is this "victory" which opened and paved the way for the remilitarization of the Straits today! Therefore, the signing of the Montreux Convention convinces the Chinese that in order to regenerate and to gain parity with other powers, a victory is indeed indispensable—which will do much in liberating oneself! The Island Empire, which was once only a coaling station for the western steamers, did not gain her parity with other western powers until her "victory" over China. Japan did not do away with all their unequal treaties and the special privileges and concessions granted to the foreign powers, until her victory of 1895. So with the Turkish case, they would not be able to reoccupy the Straits had they not won a victory from Greece. So the Montreux Convention reminds us that while negotiations may be one of the ways for the revision of treaties, a "victory" is the "shortest cut" to success. When a victory is achieved, all obstacles in the way to the fulfillment of our aspirations will be automatically removed, and the opposition from the powers to the revision will die a natural death. So no matter how "peace-loving" we are, we must not forget this lesson from history. A victory is particularly necessary when we come to deal with the aggressor. It is our conviction that only by a victory over Japan can we end the Japanese aggression in China and can we recover our "lost territories."

Nanking, July 25, 1936,

Foreign Missionaries Are Reminded to Register Landed Property

The attention of foreign missionaries resident in Nanking has been directed to the ruling of the Bureau of Land of the Municipality of Nanking calling for registration of all land and other landed property they have bought, with the bureau. The period for the registration has been fixed from June 10 to August 31, according to a dispatch from Nanking dated July 26 appearing in the *China Press*.

The ruling stipulates that land bought by foreign missionaries in Nanking will be sold to the City Government at the price as registered, whenever such property is no longer needed by the former.

Those failing to register within the period, will be considered as having foregone the privileges of temporary ownership. The land and houses, in such cases, will be considered as belonging to the City Government.

Cooperatives to Be Formed to Develop Animal Husbandry

Animal husbandry, the least-developed industry in China, is destined to play a greater role in the advancement of the nation's economy with the recent inauguration of the China Animal Husbandry Society in Nanking, a recent *Central News* message from Nanking pointed out. With a membership of about 80, most of whom are animal husbandry experts and ranch owners, the institution is receiving keen official attention and encouragement inasmuch as many of its sponsors are high government officials, including Dr. V. Tsai, director of the Bureau for the Examination and Testing of Commercial Commodities at Shanghai, Frank C. H. Liu, director of the Central Ranch, and Hsu Ting-hu, director of the Agricultural Department of the Ministry of Industry. In recent years, the growing demand for woolen textiles, the increasing use of milk and beef and hides in daily life have necessitated large-scale breeding of cattle.

According to a tentative working program of the Society, it will, among other things, popularize animal husbandry education, open cooperatives, improve the animal breeding, promote animal husbandry products, hold animal shows, and extend expert guidance and direction to private ranches.

Construction Work on Wenchi Paper Mill to Be Started in Ten Months

Construction work on the paper mill at Wenchi, Chekiang, which will be one of the largest of its kind in China will be formally started in about two months, according to Liu Wei-chi, Vice-Minister of Industries, in an interview with the *Central News*, July 25. The project will be capitalized at about $4,000,000, one-fourth of which will come from commercial shares, while the rest will come from a loan concluded between the Ministry of Industries and the Sino-British Boxer Indemnity Refund Commission. The chief holders of the commercial shares are the Commercial Press, the Chunghua Publishing Company, the *Shun Pao* and *Sin Wan Pao* in Shanghai.

Peiping-Taming Highway Throw Open to Traffic

The newly-constructed Peiping-Taming highway, built by the Hopei-Chahar Political Council, was thrown open to traffic July 25 at a brief ceremony held at the Marco Polo Bridge outside Peiping.

Szechuen Wants Another Loan

The Szechuen Provincial Government has requested permission of the Central Goyernment to float $45 million provincial bonds for developing the province's communications systems. The loan, it is proposed, is to be secured on the Land Tax of the province.

Decline of Porcelain Industry in Chingtehchen Due to Out-of-Date Manufacturing Processes

China's hope of reviving what once was a great porcelain industry at Chingtehchen in Tuliang, Kiangsi, has been dimmed by numerous handicaps, such as the general economic depression, rampancy of banditry, and the dumping of foreign-made China. But the inherent weakness, according to a competent observer quoted by *Central News*, lies in the backward manufacturing process and technique which has been carried down almost without changes from as far back as the Han Dynasty (206 B.C. to 214 A.D.). The outlook becomes the more gloomy as the supply of the special kind of clay has come to near exhaustion with the result that only China of inferior quality is now being produced.

Japanese Organize Artificial Silk Factory in Tientsin

The *Sin Wen Pao* states that construction of an artificial silk factory in Tientsin by the Japanese Mitsui and Mitsuibshi Companies will be started during August. Construction of a glass factory and a brewery will be started in September.

Chinese Trade Mission to Investigate Market in South Seas

The Chinese Trade Mission to the South Seas, organized by 16 prominent Chinese manufacturers, sailed from Shanghai end of last week on an extended tour to investigate the markets there. They will be gone for three-months.

Silkworm Egg Sheets Popular in Chekiang

Disease-free silkworm egg sheets prepared under official supervision are gaining tremendous popularity with the farmers in Chekiang. according to a report issued by the National Economic Council.

Price of Wolfram Drops Owing to End of Abyssinian War

Wolfram has fallen in price in the London market from 34/6 to 27/6 during the last three months. It is explained that consumers bought heavily between November and February, anticipating a large consumption owing to the Italian-Abyssinian war, and are now left with big stocks.

Eastern Hupeh Mining Areas to Be Operated by State

In line with the policy of the Central Authorities, the Ministry of Industry has decided to designate Hsiayeh Shan, Shihtsu Shan, Yuping Shan, Hsiaopao Shan, Tapao Shan, Chouchia Shan, Chen Shan, Kwang Shan, Liutai Shan and other hills in Ocheng, eastern Hupeh, as State-operated Mining Areas. The mining districts cover an area of 245 hectares.

Four-Point Program Responsible for Upswing of China's Foreign Trade, Liu Wei-chih Says

The remarkable progress noticed in China's foreign trade during the past five years is attributable to four policies adopted by the Central Government, in the opinion of Liu Wei-chih, Political Vice-Minister of Industry and secretary-general of the People's Economic Reconstruction Association, in a recent interview with a representative of the *Central News* Agency.

The four policies are: (1) extensive investigations into the country's productivity; (2) fixation of standards for the examination of exports; (3) introduction of Chinese commodities of commendable qualities to foreign markets and of highly-needed foreign articles for domestic consumption; and (4) enforcement of effective government control over industrial enterprises in this country.

Long Distance Telephone Makes Huge Strides in China

Tremendous strides in the development of the long-distance telephone systems are shown in a report by the Ministry of Communications. In the month of June alone 12 business bureaus in charge of long-distance telephone services were established and 313 new areas were linked up by the traffic.

Chinese Exports of Silk Show Huge Gain in 12-Month Period

Exports of Chinese raw during the 12 months from June 1, 1935 to May 31, 1936, according to the statistics compiled by the Bureau of Foreign Trade amounted to 56,025 bales, showing an increase of 30,095 bales or 116 per cent compared with the previous year. The largest volume of the exports went to America, which took a total of 25,265 bales, registering a gain of 270 per cent compared with the previous corresponding period.

Chungfu Corporation Lends $600,000 for Extension of Taokow-Chunghua Railway

Chang Kia-ngau, Minister of Railways, recently reported that a loan of $600,000 had been concluded with the Chungfu Joint Mining Administration (Chungyuan Mining Corporation and the Pekin Syndicate) for the construction of the Taokow-Neihwang Railway, an extension of the Taokow-Chinghua Railway.

Korean Who Posed as Manchukuo Official Arrested in Shanghai

The Shanghai Japanese papers July 26 reported that Li Kou, a Korean, had broken down under the strain of two weeks of police questioning and confessed to a series of crimes he had committed when masquerading as a Manchukuo official. The fact was that he had one time had served the new government, but had been dismissed. Unable to find work in Tokyo, he printed name-cards representing himself as a Manchukuo official and defrauded firms and individuals in Tokyo, Yokohama, Fukuoka, and Nagasaki of several thousand yen. Escaping the police net in Japan, the man arrived in Shanghai on June 27. On July 13 he was arrested, after a local Japanese resident had accused him of fraud.

Seven Chinese Committed for Trial in Korea on Espionage Charge

Sun Ping-yu, whom the Japanese telegrams persist in describing as "a self-styled Chinese Consul" in Seishin, a North Korean port, and six other Chinese, were committed for trial in the court in Seishin June 25 on charges of military espionage. The men were arrested on July 17, the Korean Garrison declaring that the step was taken because they "have been engaged in military espionage illegally, having established their headquarters in the former Imperial Russian Consulate building in Seishin." The Garrison statement incidentally mentioned that Seishin is one of the three most important ports in North Korea, but is, besides, an important strategic point near the junction of the Korean, Manchukuo and Soviet borders.

The Nanking Ministry of Foreign Affairs last week instructed Hsu Shih-yang, Ambassador to Tokyo, to protest to the Japanese Foreign Ministry and demand the immediate release of Sun Ping-chien, Acting Assistant of the Chinese Consulate-General at Seishin, northern Korea, and several of his colleagues and their families, who were arrested by the authorities in that place July 16 for alleged military espionage. The Ministry also instructed Fan Han-sheng, Consul-General at Seoul, to make a similar demand to the Governor of Korea. Official quarters in Nanking pointed out that, even if Mr. Sun and his colleagues were guilty of same offence, they should be handed over to the Chinese authorities in accordance with diplomatic usage.

PEIPING-LIAONING RAILWAY

ABRIDGED TIME TABLE

1st January, 1936 and until further notice.

41 Ordinary 1 2 3	3 Ex. D 1 2 3	23 Fast D 1 2 3	301 Ex. SD 1 2 3	5 Ex. D 1 2 3	305 Ex. SD 1 2 3	1 Ex. SD 1 2 3	Down Trains	MAIN LINE STATIONS	Up Trains	2 Ex. SD 1 2 3	302 Ex. D 1 2 3	6 Ex. SD 1 2 3	74* Goods & Pgr. 3rd only	42 Ordinary 1 2 3	4 Ex. D 1 2 3	24 Fast D 1 2 3	306 Ex. SD 1 2 3
5.45	9.30	13.00	15.35	17.10	20.00	21.15	dep.	Peiping.....	arr.	9.25	10.00	11.38		17.40	18.25	22.30	23.15
6.04	—	13.16	—	—	—	—	,,	Yung-ting-men.....	dep.	—	—	—		17.23	—	22.15	—
6.20	10.00	13.30	16.00	—	20.26	21.40	,,	Fengtai.....	,,	9.02	9.36	—		17.05	18.03	22.02	22.50
6.44	—	13.48	—	—	—	21.58	,,	Huang-tsun.....	,,	8.43	—	—		16.37	—	—	—
7.39	—	14.37	—	—	21.20	22.38	,,	Lang-fang	,,	8.05	—	—		15.41	—	20.54	21.51
8.03	—	14.53	—	—	—	22.55	,,	Lao-fa	,,	7.43	—	—		15.20	—	—	—
8.36	—	15.20	—	—	—	23.16	,,	Yang-tsun	,,	7.21	—	—		14.50	—	20.19	—
9.14	11.44	15.47	17.51	19.10	22.24	23.42	,,	Tientsin Central ...	,,	6.56	7.45	9.40		14.14	16.10	19.55	20.54
9.23	11.52	15.55	18.00	19.18	22.32	23.50	arr.	Tientsin East	dep.	6.45	7.35	9.30		14.00	16.00	19.45	20.45
9.35	12.05	16.05	18.20		23.00	24.00	dep.	Tientsin East	arr.	6.30	7.05		11.45	13.46	15.48	19.32	20.15
10.38	13.04	17.06				1.01	,,	Tang-ku	dep.	5.30			10.10	12.46	14.55	18.35	
11.46	14.00	18.13				2.07	,,	Lu-tai	,,	4.26				11.41	14.00	17.26	
12.34	—	19.00				2.58	,,	Hsu-ko-chuang.....	,,	3.30				10.45	—	16.34	
12.52	15.00	19.18				3.15	,,	Tang-shan.....	,,	3.15				10.30	13.05	16.20	
13.06	15.11	19.29				3.30	,,	Kaiping.....	,,	2.55				10.10	12.51	16.07	
13.39	15.35	19.54				4.03	,,	Ku-yth.....	,,	2.30				9.44	12.34	15.50	
14.29	16.07	20.28				4.53	,,	Lan-hsien	,,	1.32				8.45	11.55	15.07	
15.32	16.49	21.18				5.59	,,	Chang-li	,,	0.31				7.40	11.14	14.22	
15.56	—	21.37				6.24	,,	Liu-shou-ying	,,	0.01				7.12	—	13.59	
16.11	17.17	21.50				6.42	arr.	Pei-tai-ho	dep.	23.42				6.54	10.43	13.45	
16.16	17.22	21.55				6.47	dep.	Pei-tai-ho	arr.	23.37				6.49	10.38	13.40	
16.43	17.42	22.17				7.16	,,	Chin-wang-tao.....	dep.	23.09				6.25	10.20	13.20	
17.05	18.00	22.35				7.40	arr.	Shan-hai-kwan.....	dep.	22.40				6.00	10.00	13.00	
						8.20	dep.	Shan-hai-kwan.....	arr.	22.00							
						16.40	arr.	Shen-yang(Mukden	dep.	14.00							

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Tientsin, 1st January, 1936. BY ORDER.

"Fukien and Formosa Should Join Hands Across The Sea"

BY THE REVIEW'S FOOCHOW CORRESPONDENT

In the course of an interview before his departure for Canton, Mr. Nakamura, Japanese Consul-General at Foochow, said he regretted that he was being transferred to Canton, as he had won the goodwill of the Fukienese. He pointed out how China and Japan are closely related and how Fukien and Formosa are interdependent. Formosa, he said, has made great strides in industrial development; the new Fukien, engaged in reconstruction work, certainly welcomes technical aid from Formosa. He suggested that Fukien-Formosan economic cooperation should be made the starting point of Sino-Japanese rapprochement.

Formosa—Japan's First Line of Defense

Japan regards Formosa as her first line of defense. All defensive works are being rushed to completion. The garrison troops will be increased to 25,000. The status of Formosa will be raised to that of Korea and the viceroy will be a high military or naval officer directly appointed by the Emperor of Japan.

In pursurance of her southward-advance policy, Japan uses Formosa as base of operations. This, too, explains her fortifying Formosa.

Li Hou-chi Appointed Commander of "Smuggling Force" in Amoy

Gen. Li Hou-chi, a Northerner and ex-Tuchun of Fukien, has been appointed, according to an unconfirmed report, commander of a "smuggling-force" (a queer name) at Amoy, by a certain source. Gen. Li resided in Tientsin after he had been driven out of Fukien by Southerners; he thus came into contact with the agents of a certain country. The smuggling-force, several thousand strong, is fully armed.

Gen. Chang Fa-kwei Confers with Gen. Chiang Ting-wen

Gen. Chang Fa-kwei, commander of bandit-suppression forces along the Fukien-Chekiang-Anhwei-Kiangsi border, and Gen. Chiang Ting-wen, Fukien Pacification Commissioner, conferred in Changchow about offensive measures in the event of a Fukien-Kwangtung clash.

To facilitate military operations in Fukien, Generalissimo Chiang has sent Gen. Hsu Wei-tu, a counsellor of the Nanking Military Affairs Commission, to Kiangshan, Chekiang, to hold secret conferences. Gen. Hsu is said to have returned to Nanking and brought along with him military plans made by Gen. Chang.

Bandits and Communist Bandits Again Active in West Fukien

The bandits and [illegible] bandits in West Fukien, who lay dormant for a time, have come into activity again. As conseqence of the Southern imbroglio, the bandits and communist-bandits with Chang Tin-chen as ringleader, are raiding West Fukien, especially Yunting, once a red stronghold.

Secret Organs in Foochow and Kulangyu Discovered

Very lately, the Southwest despatched a number of secret agents to Fukien, spying into the actions of civil and military authorities. The Police Headquarters at Foochow and Amoy, and the Peace-Preservation Bureau, have kept a vigilant watch on the clandestine activities of the aforesaid spies. In Nantai, Foochow, a secret organ has been discovered and several important offenders have been captured. In Kulangyu, a secret organ has also been discovered. A mysterious person, by the name of Liu Pei-ing, has been caught. This person, disguised as a native of Haiten (South Fukien), is found out to be no other than a Formosan. For twenty years, he has camouflaged himself under Chinese nationality and identified himself with the Kuomintang. Recently, he has formed the socalled Fukien Club, the participants of which are mostly ronins, bandits, etc. Very recently, he has served as the secret agent of Lu Wei-sheng and Chen Wei-yuan, two former Fukien militia leaders, who have plotted in Hongkong to stage a comeback to Fukien. Being a Formosan, Liu Pei-ing was handed over to the Japanese Consul at Amoy.

Wu Shih's Advice to Southwestern Generals

Wu Shih, a Fukienese, who was supposed to be one of the martyrs at Yellow Flower Glen, Canton, but survived, sent a telegram on July 10 to Generals Chen Chi-tang, Li Tsung-jen, and Pei Tsung-hsi, advising them to show allegiance to the Nanking government and to participate the National Defense Commission at Nanking. He also wired to Nanking, urging Nanking to curb the activities of Southwestern generals.

July 17, 1936.

Much Capital Leaves Japan Because of Fear of Inflation

The Tokyo *Hochi* July 17 stated that, for fear the coming huge military budget, the unrest growing from the difficulty of having deficit-covering bonds consumed, rising prices and drop of the value of paper currencies, etc. will cause bad inflation in Japan in the near future, some medium and small financial interests have been ignoring the exchange control law and other laws concerning prevention of the flight of capital and are taking their wealth out of Japan for safe keeping. Such big financial interests as the Mitsui, Mitsubishi and Sumitomo are determined to throw in their lot with the State and they are under no suspicion, but it is the medium and small scale financial interests or individual wealthy persons who are held under suspicion. One reason for their breaking of the law, (according to the *Hochi*), is that they do not share in the munitions prosperity directly.

"National Defense" Will Probably Cover Wide Field

The Tokyo *Yomiuri* in discussing "national defense" said the movement would probably began with capital control, economic control, production and distribution control and control of all social enterprises running counter to such control in order not to push "national defense" finance into a bad fix. In the meantime, said the *Yomiuri*, symptoms of inflation were becoming visible on all sides.

Japanese Budget to Be Discussed in August

Budgetary estimates for the 1937-38 fiscal year will come before the Treasury in the middle of August, when plans for increased taxation and tax reforms will also be formulated, Dr. Eiichi Baba, Finance Minister, told *Domei* at his villa at Shinasu, July 25. Dr. Baba revealed that he would give attention to the creation of new State monopolies, and to the raising of the price of tobacco, which is already a monopoly. He said he would also study a bill for the creation of organs for public financing.

Parliamentary Reform Body Holds First Meeting

The Commission for the reform of Japan's parliamentary system, appointed in accordance with a resolution unanimously adopted by the two houses of the Diet last May, held its inaugural meeting July 27, with Premier Koki Hirota presiding.

Japan's Cotton Cloth Export Continues to Be Greater Than England's

The Tokyo *Asahi* July 16 stated that Japan's cotton cloth export for the first six months of this year amounted to 1,330,959,000 square yards against England's 926,134,000 square yards, leading Lancashire by 404,825,000 square yards. Both countries' cotton cloth exports suffered drops compared with the corresponding period of last year, due to the trade restrictions instituted by the importing countries.

Gaimusho to Form Committee on Japan-American Trade

Creation of a Japanese-American Trade Commission, charged with the task of readjusting the commercial relations between the two countries, has been tentatively decided by the Tokyo Foreign Office. The Gaimusho is acting in collaboration with other departments concerned, including the Ministry of Commerce and Industry, and with traders of both nationalities.

The projected Commission will be composed of Japanese and American merchants, representatives of the Ministries of Finance and Foreign Affairs, diplomatic and consular officials and commercial secretaries.

Stock Exhanges in Japan Re-Open

After a 24-hour suspension of trading, the stock exchanges in Tokyo, Osaka, Yokohama, Nagoya and other major cities of Japan reopened on the morning of July 22. All shares experienced a slight slump, averaging between Yen 1 and Yen 1.50, but no transactions were permitted in the shares of the stock exchanges themselves.

Australian Firm Offers Iron to Japan

T. V. Salt, a representative of the H. A. Brasser Company, a British concern, arrived in Tokyo July 22 from Sydney to begin negotiations with the Japan Mining Company for the sale of all iron ore produced by his firm's mines at Yampi Sound, northwest Australia. Japanese telegreams stated that owing to a shotage of iron in Japan, the Japan Iron Manufacturing Co. will start negotiations with the Soviet Trade Representation Office in Tokyo for an additional supply of 100,000 tons of pig iron.

Power Conference to Be Held in Tokyo in 1942

Japan, July 25, accepted the proposal of the Executive Committee of the International Power Conference to hold the next meeting of the organization in Japan. The Conference, to be held this year in Washington with President Roosevelt as its honorary President, is called every six years to discuss progress in the power industry. The first conference was held in London in 1924.

Seiyukai Chiefs Assail Government on Policies

Breaking the silence they had maintained for four-and-a-half months, leaders of the Seiyukai party July 22 assailed the Government for "a careless treatment of national policies, and a failure to place responsibility for their conduct." The attack was the first delivered upon Premier Koki Hirota's Cabinet since he was commissioned by the Emperor to form a new Government.

Gendarmerie Reforms Planned in Japan

Drastic reforms in the organization of the gendarmerie, to enable it to cope with domestic and international developments of any kind, are being studied by the Tokyo War Office. With the mutiny of Feb. 26 still fresh in their minds, the heads of the War Ministry are planning a large increase in the strength of the force.

Emperor Reports Martial Law Lifting to Spirit of Ancestors

Emperor Hirohito July 22 informed the souls of his ancestors of the close of the Incident of Feb. 26, in which three of his statesmen were assassinated by mutinous troops. The ceremony, which was duplicated in Shinto shrines throughout the land, was conducted with simple Shinto rites. More than 200 Government, Army and Court officials attended the ceremony, held at the Imperial Sanctuary, within the Palace compound.

New Bureau in Tokyo War Office Will Deal With Espionage

The Tokyo War Ministry July 24 announced the creation of the Military Affairs Bureau, which will take charge of the protection of military secrets, prevention of espionage and deal with matters involving duties of martial law garrison. The creation of the new bureau, which was achieved through the division of the present Military Administration Bureau into Military Administration and Military Affairs Bureaus, will bring the number of departments within the War Office to eight.

Huge Scandal Foreshadowed in Treasury Department

Foreshadowing a scandal of national significance, the Metropolitan Police Board July 25 summoned for examination Masaki Obara, chief of the Treasury's National Bond Section, on suspicion of having furnished "certain quarters" with information that led to the suspension of trading on Nippon's Stock Exchanges on July 21. Mr. Obara's examination was preceded by the arrest of two stock-jobbers in Fukuoka, on charges of having sold 1,600 shares of the Tokyo Stock Exchange, after having received a tip that a Tokyo newspaper would publish a report on a projected reorganization of stock exchanges.

Japanese Naval Circles Watch Strengthening of Singapore Base

Japanese Naval circles are exhibiting intense interest in the reports of the strengthening of the Singapore naval base, according to recent messages from Tokyo. The strengthening of their forces at Singapore and Hongkong is believed in Japanese naval circles to indicate that Great Britain is preparing for the resumption of an international ship-building race in 1937.

Tokyo Mutineer's Wife Attempts Suicide

Attired in a white kimono, in which corpses are usually wrapped, Mrs. Tamae Kurihara, July 26, swallowed poison before a decorated picture of her husband, former Lieut. Yasuhide Kurihara, executed on July 12 by a firing squad for complicity in the mutiny of Feb. 26.

Japan Builds Warships for Siamese Navy

The Siamese training ship *Tabchin* was launched at the Uraga Dockyards, July 24. This 1,400-ton addition to the Siamese Navy was built in the record time of 130 days. The keel of her sister-ship, to be named *Miekron*, was laid shortly after the launching of the *Tabchin*.

Japanese Import Sample Wool Shipment from Tibet

In their search for wool to replace the staple formerly imported from Australia, Japanese industrialists are turning to Tibet. Thirty bales of Tibetan wool were brought to Kobe as an experiment from Calcutta last week. The Tokyo Foreign Office July 24 reiterated Japan's intention to retain the Trade Safe-guarding Law until the Australia rescinds its prohibitive tariff on Nippon-made goods.

According to investigations conducted by an importing company in Osaka, the total woollen imports from Australia for the 1936 season ending June amounted to Yen 233,387,000, or a gain of Yen 93,000,000 compared with corresponding period of last year. From this it appeared that the Japanese woolen concerns bought in excess of current requirements when they realized that strained trade relations were about to occur between Japan and Australia.

Japanese Hope to Organize America-Japan Trade Commission

The Tokyo *Asahi* July 23, stated that progress is being reported in the effort on the part of Japan to organize an America-Japan Trade Commission as a means to prevent America's "persecution" of Japanese goods.

Japanese Delegates Sail for Yosemite

The Japanese delegates to the sixth session of the Institute of Pacific Relations, to be held in Yosemite, California, next month, left Yokohama for the United States July 27, aboard the s.s. *President Jackson*.

Further Details of Japanese Monopolization of China's Cotton Industry

Beginning from August 1 and until further notice, Shanghai will be the only port into which foreign cotton seeds may be imported, according to a decision reached jointly by the Ministries of Finance and Industries July 24. The decision was made in order to prevent the influx of cotton diseases and in view of the fact that Shanghai is the only port so far where the necessary testing equipment is available. Foreign cotton seeds importers, have been notified of the decision through the Waichiaopu.

This order may cause considerable friction with the Japanese in North China, where they are fostering an intensive cotton cultivation program, further details of which were to hand this week. The South Manchuria Railway Company has decided to introduce improved methods of cotton cultivation in forty-two out of the total of 78 *hsiens* in Hopei Province. Large quantities of cotton seeds will be distributed among the farmers by the South Manchurian Railway Company, according to a Tientsin message to the *Shun Pao* July 26. The distribution of cotton seeds to farmers by the Japanese, sometimes free of charge, is a regular porcedure, mention of which has been made on several occasions in *The Review* in the past year.

The Hsin Chung Company, organized by the South Manchuria Railway Company for the economic exploitation of China, is organizing cooperative societies among the farmers in North China, who will be given small credits. Improved seeds and agricultural implements will be given to the farmers for the development of their farms and farm productions. Particular attention will be given to the improvement of cotton cultivation.

A message from Tientsin this week stated that the Pao Chen Cotton Mill, which has been sold to the Japanese, will have its total number of spindles increased from 15,000 to 20,000. Operation of the factory will be resumed in October. Construction of a new cotton mill by the Japanese in Tientsin was started on July 25. It is reported that by the end of the year the factory will start operations and will employ 300 Japanese and 5,000 Chinese workers.

As a result of the Japanese textile expansion in China, the spindles of the Japanese cotton mills in Tientsin and Shanghai will be increased to 3,500,000. With the purchase of the various Chinese cotton mills by the Japanese in North China, the total number of spindles of the Chinese mills has been reduced from 2,700,000 to 2,000,000.

The latest developments give striking proof of the rapidity with which Japanese interests are monopolizing cotton manufacturing and cotton production in North China, reference to which has been made in these columns on several occasions, notably in an editorial in last week's issue, "China Loses Control of Cotton Industry to Japan."

Recent dispatches from China in the Tokyo newspapers stated that Japanese spinning interests were making further advances in north China. The Kanegafuchi Spinning Company will buy three Chinese spinning mills in financial difficulties and also establish new plants.

Grave concern was expressed in the editorial columns of two local Chinese papers over the reported sale of the Huahsing Cotton Mill in Tientsin, the largest of the six Chinese-owned cotton mills in the North, to Japanese interests. Remarking that the Japanese cotton mills in the North are established in the same locality as the Chinese, and that the principles of their management are not unlike those of the Chinese, the *Central Daily News* expressed the belief that the Huahsing Mill need never fear competition with Japanese factories should it improve its management, technique and the methods of marketing and distribution.

"There is no doubt but that the Japanese aim to gain complete control of the cotton spinning industry in China." the *Shun Pao* commented. "Japanese interests are increasing the spindles both in Tientsin and Shanghai to over 3,000,000, which far exceeds the Chinese figure. With decreased spindles and lack of mechanical improvements, it is evident the Chinese spinning industry is facing a hard time.

"The Japanese do not intend merely to increase the number of mills, but to control the production of cotton goods in this country. Under the movement for Sino-Japanese economic cooperation, the Japanese have included cotton cultivation in North China. Special cotton planting experiments already are going on, and in the not too distant future we believe the Japanese will get what they are aiming for.

"In the past Japan has depended on the United States, India, and Egypt for her cotton supplies, but, with the completion of her plans in North China, she will be self-sufficient. If China does not take immediate steps to remedy this situation, it is quite obvious our native industry will be ruined. The spinning and weaving industry is now the only large industry in China, and, if it should be ruined, the whole economic structure of the nation also will be affected."

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Soviet-Manchukuo Waterways Negotiations Break Down

Manchukuo delegates to the Soviet-Manchukuo Waterways Conference left Blagoveschensk for Changchun July 25, abandoning hope for the conclusion of an agreement regarding navigation on the Amur and its tributaries. The conversations broke down after two months of fruitless dickering, with the Manchukuo delegation accusing the Soviet side of "a lack of sincerity".

In a statement issued in Changchun July 24, the Department of Communications accused the Soviet delegation of maintaining "an insincere attitude" since the opening of the conversations on May 31. The conference, the declaration emphasized, was to be a meeting of experts, but the Soviet delegation "has consistently attempted to drag political issues into the discussions."

Throughout the conference, the Ministry's statement asserted, "the Soviet delegation maintained an uncompromising attitude, refusing to co-operate with Manchukuo's representatives." On July 22, the statement said, the Soviet authorities in Blagoveschensk refused to visa the passports of the Manchurian delegates, who resided in Heiho and crossed the river every day.

An official report received in Tokyo June 23 from Gen. Kenkichi Uyeda, Commander-in-chief of the Kwantung Army and Ambassador to Manchukuo, predicted the rupture of the negotiations. Sickness in the ranks of the Soviet delegation, the report said, had prevented the re-opening of conversations until this month. Since the navigable season would end in a few months, no hope could be entertained for a conclusion of a convention this year, Gen. Uyeda reported.

Japanese Cite Further Border Violations Committed by Soviets

Two more cases of alleged renewed encroachment by Soviet and Outer Mongolian troops upon Manchurian soil were reported from the opposite borders of the new Empire to the Kwantung Army headquarters in Hsinking July 27. The first incident occurred on July 8, when a native junk, with 13 passengers and cargo valued at Yen 1,300, was captured by Soviet border guards in the vicinity of Lungwangpiao, in the Mishan district. The other incident took place on July 18, when an Outer Mongolian plane landed on Manchukuo territory, at a point four kilometers west of Handagaya, near Kholombail, Heilungkiang Province, according to another report.

A *Tass* message from Moscow July 27 stated that on July 23 a frontier guard patrol of the U.S.S.R. discovered, that in the region of Turiy Rog, a frontier post denoting the Soviet-Manchurian frontier had been removed and carried away into Manchurian territory. At the place of location of the post, footprints of people were discovered leading to Manchurian territory, while 250 metres from this place, on Manchurian territory, a platoon of Manchurian troops in battle formation was noticed.

Mongolia Gives Warning That Interference on Manchukuo Border Will Not Be Tolerated

A blunt warning that the Mongolian People's Republic wants peace on all frontiers but will not tolerate outside interference such as has been manifested in recent Manchukuo-Mongolian border conflicts was voiced by Premier Amor during the course of a speech at Ulanbator before hundreds of delegates assembled to observe the 15th anniversary of the Republic last week.

Mongolian Socialist Republic Sends Jubilee Address to Stalin

At the jubilee session of the Small Hural, devoted to the fifteenth anniversary of the Mongolian Revolution, an address to Stalin was adopted, greeting him as the tried leader of the oppressed people of the entire world. A *Tass* message from Moscow July 17 stated that the address spoke of the wondrous achievements of the Mongolian Peoples Republic during the course of 15 years in the work of cultural and economic construction, also the strengthening of the defence capacity of the country, as a result of which the Mongolian nation was now on the road to a re-birth of its flourishing life. Further in its address, the Small Hural stated that these achievements, besides being the result of the revolutionary activity of the Mongolian toilers, are also the result of the aid received by the Mongolian Peoples Republic from the Soviet Union since the very beginning of the Mongolian Revolution. The Small Hural particularly dwelt in its address on the statement of Stalin to Roy Howard, that the Soviet Union will assist the Mongolian Peoples Republic in the event of an attack on it from without.

Japanese Ministers Discuss Russian-Chinese Issues

Japan's relations with China and Soviet Russia were discussed at a three-hour conference in Tokyo July 2, attended by Mr. Arita, Foreign Minister; Gen. Count Hisaichi Terauchi, War Minister; and Admiral Osami Nagano, Navy Minister.

Soviets Increase Military Strength in Far East

The Tokyo *Hochi* July 18 stated that the Soviet military strength in Far East has been increased by the addition of two more divisions which are concentrated on the Soviet-Manchukuo border; recently 176 trains loaded with arms and military personnel were dispatched to the Far East and Siberia. The Soviets, it was stated, are also improving railway transport facilities in Siberia with the result that now 130 trains or more can be dispatched per day.

Soviet Foreign Trade Shows Steady Rise

According to the figures of the Central Customs Administration of the Peoples Commissariat of Foreign Trade in Moscow the total volume of foreign trade of the U.S.S.R. in April amounted to 237 million roubles, against about 200 millions in March. Imports in April amounted to 159 million roubles, and exports 78 million roubles.

Soviets Make Heavy Capital Investments in the Far East

A *Tass* message from Khabarovsk July 22 stated that during 1936, over 150 million roubles have been invested in construction capital in the Far Eastern Territory and Khabarovsk. Extensive road building is being carried on and 27 large buildings, dwelling houses and schools are being built.

Permission Granted Japanese Steamers to Enter U.S.S.R. Territorial Waters

On July 27 the Japanese Embassy requested the Foreign Commissariat at Moscow to grant permission to two Japanese steamers to sail in Soviet territorial waters, for the purpose of rendering assistance to the Japanese fishing schooners, which were wrecked on July 23 and 25, near Cape Lopatka, the southern extremity of Kamchatka. The request was granted.

Shigemitsu Chosen to Be New Japanese Ambassador to Moscow

Mamoru Shigemitsu, former Vice-Minister of Foreign Affairs has been chosen as the next Ambassador to Moscow to replace Tamekichi Ohta, present Ambassador, who was scheduled to leave Moscow on July 29 to return to Japan. Mr. Ohta some time ago informed Foreign Minister Arita that he would retire from a diplomatic career to make way for young diplomats.

The Tokyo *Jiji*, July 22, in predicting that Mr. Shigemitsu would probably get the appointment, said he had a great influence in the Foreign Office as a framer of Far Eastern policy. It was, however, stated that the Army's opposition to Mr. Shigemitsu's appointment had not diminished.

The Tokyo *Yomiuri*, July 7, stated that in view of the present Soviet-Japanese relations, Foreign Minister Arita felt the necessity of choosing Mr. Ohta's successor at an early date, and after seriously considering personnel choice, finally decided to give the Moscow appointment to Mr. Shigemitsu.

Soviet Plane Makes Non-Stop Flight from Moscow to Okhotsk Sea

It was recently announced in Moscow that the Soviet Russia's air transport facilities in the Far East are to be greatly increased. The 1936 program of the East Siberian Airlines, which already calls for 1,250,000 ton-miles of freight transport, will be vastly expanded, it is stated. Under the revised plan, approximately 25,000,000 ton miles of freight transport will have been carried by the end of that year. This huge increase is designed to facilitate the opening up of the vast natural resources of Soviet Far Eastern territory, which lacks adequate railways. Already the entire output of the Lena River goldfields in Siberia is carried by air from the mines to the railhead at Irkutsk. Freight airplanes complete this journey in one day—in contrast, land transport takes a month in summer and two months in winter. With the adoption of the new progam, all freight in the Lena River area will travel by air. Additional new gold workings, as well as mica mines on the Mama River, will be served.

The Soviets are jubilant over the performance of the airplane ANT-25 in making a non-stop flight from Moscow to Nikolayevsk without landing. In this connection the Chief Administration of the Aviation Industry, under the Peoples Commissariat of Heavy Industry at Moscow reported July 23: "The crew of the ANT-25 were given the task to fly the route Moscow-Barentz Sea-Franz Josef Land-Cape Choliuskin up to Petropavlovsk-on-Kamchatka without landing. Further, if favorable conditions and weather prevailed, the airplane was to proceed further in the direction of Nikolayevsk-on-Amur and thence to Chita. The airplane crew brilliantly fultilled the task set. Remaining aloft 56 hours 20 minutes the airplane covered a distance of 9,374 kilometres, of which 8,774 kilometres were according to the scheduled route and 600 were flown in order to circle a cyclone in the region of Severnaya Zemlya and the Okhotsk Sea. The crew were forced to surmount unusual difficulties. In the region of Serevnaya Zemlya the ANT-25 met with a strong Arctic cyclone and multi-layered cloudiness. During the course of over five hours the crew remained at an altitude of over four thousand metres, flying blind with a frontal wind velocity of up to 70 kilometres per hour, the airplane being coated with ice. The heroic crew surmounted all the difficulties of the flight over the Stanovy Mountain Range. Successfully reaching Petropavlovsk-on-Kamchatka, the plane dropped a pennant over the town and took a course for Nikolayevsk-on-Amur. Over the Okhotsk Sea the airplane met with an exceptionally strong southern cyclone, dense fog and heavy cloudiness, which caused the formation of a thick coat of ice on the airplane. As soon as the Peoples Commissariat of Heavy Industry received information of the exceptionally

difficult meteorological conditions of the flight, Commissar Ordjonikidzo, considering that the task had already been fulfilled, ordered the commander of the airplane, Chkalov, by radio to cease further flight. At 13 hours 45 minutes Moscow time, Chkalov with remarkable courage and mastery landed in a dense fog on the west of Nikolayevsk-on-Amur on a small coastal island 'Ud'."

Moscow *Pravda* commented that the significance of the flight from Moscow to the Okhotsk Sea without stopping should not be lost sight of; Russia now not only has a northern sea route but also a northern air route to the Far East.

The Tokyo *Nichi Nichi* July 22 in printing the news that Soviet Russia is carrying out a non-stop Moscow-Chita flight (12,000 kilometers), called attention to the fact that the distance between Vladivostok and Tokyo is only 1,200 kilometers.

Growth of Chinese Press Described in Broadcast Address by Thomas Chao

The most important development in the history of the Chinese press in recent years is the growth of the press in the interior, the influence of which on the formation of public opinion and advancement of general cultural standard cannot be over-estimated, declared Thomas Ming-heng Chao, manager and chief correspondent of the Nanking bureau of the *Reuter's* Service, in the course of a speech on the Chinese press over the Central Broadcasting Station on the night of July 15.

"Credit in this connection," Mr. Chao said, "must be given to the *Central News Agency*. The *Central News Agency*, which is the official news agency of the Chinese Government, has been broadcasting from Nanking 20,000 words daily since 1932 to be picked up free of charge by newspapers throughout the country. This facility enables the newspapers in the interior to compete with the big metropolitan dailies."

Reviewing other aspects of the development of the Chinese press, Mr. Chao noted the greater emphasis on "sport news" and the growing popularity of travel stories, news pictures, cartoons and sport news.

Commenting on the growing popularity of travel stories, Mr. Chao said that they help the people to know more about the border and interior provinces. With regard to the greater emphasis on news pictures Mr. Chao said that in contrast to papers of earlier days which printed pictures of actors and actresses only in the theatrical section many journals today have weekly and some even daily pictorial sections.

China Looms Large in Discussions at British Missionary Conference

The 25th Annual Conference of British Missionary Societies was held at Swanwick, Derbyshire England, in June. One hundred and fifty delegates were present, representing nearly 40 missionary organizations, and a number of prominent guests. The chief attention of the Conference was devoted to the great World Missionary Meeting being prepared by the International Missionary Council to be held at Hangchow, China, in 1938. Of the 400 delegates over half will be members of the younger churches of the Far East and Africa. Among those who addressed the conference was Dr. John R. Mott, who said the world mission of Christianity was at the parting of the ways. Dr. Yi Fang-wu, President of Ginling College at Nanking, welcomed the decision to hold a world meeting in China in 1938. Dr. Wu said this was a special time of open-mindedness in the East, and two words much used in Chinese thinking and writing were "way out."

Control Yuan Impeaches Dr. J. Heng Liu

With the case still pending, the Control Yuan July 21 announced its decision to impeach Dr. J. Heng Liu, for alleged misappropriation of public funds in his capacities as Director of the National Health Administration and Superintendent of the Central Hospital. The impeachment charges Dr. Liu on three counts: first, false report of rent, light, and telephone expenses of the National Health Administration for period beginning January to June, 1935, aggregating $12,176; second, retaining of certain portion of the Central Hospital's income, aggregating $148,669; and third, failure to enter into account of a sum of $6,854 of various contributions to the Central Hospital.

Dr. J. Heng Liu Denies Embezzlement of Hospital Funds

Dr. J. Heng Liu, Director of the Central Hospital, emphatically denied that he had embezzled any funds of the hospital, when interviewed in Chengtu July 19 upon his arrival there from Chungking. Dr. Liu said that the accusation was made by persons who do not clearly understand the real situation of the hospital. He added that he had already requested the chartered accountants to audit the hospital accounts so that the truth may be known in the near future.

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Foreigners of All Nationalities Flee from Spain as Result of Civil War

The civil war in Spain has reached such proportions that foreigners of all nations are fleeing the country in all directions. The American Government and the major governments of Europe have sent warships and merchant ships to various Spanish ports to evacuate their nationals—among them Germany, which sent two "pocket" battleships. Many of the refugees are fleeing across the border into Spain. The present revolution is one of several that have occurred in recent years in the land of Castile. The issues at stake include the prerogatives of the Roman Catholic church and land tenure. Despite previous revolutions Spain is still a country of large landlords. The revolt against Church influence has been growing in intensity. It is related that at Barcelona anarchists set fire to the Church of St. Anna, danced on the altar, and tore the figure of Christ to pieces. Among the Americans that have evacuated Spain is Claude G. Bowers, American Ambassador to Madrid, who departed from Hendaye in an American coast guard cutter. Italian newspapers charge that France has been a large supplier of arms to the Spanish government. The question of supplying arms to the Spanish government has become a matter of intense controversy in France itself.

Great Britain is ready to furnish the Spanish government with arms if requested to do so, the Foreign Secretary, Anthony Eden, told the House of Commons July 27.

While the Government July 28 claimed to have scored successes over the rebels near Segovia, 40 miles from Madrid, and at Toledo, fresh fighting has broken out at Estepona, 25 miles north of Gibraltar, and in the neighborhood of San Sebastian and Irun.

Three hundred and seventy persons met their death in Barcelona since the beginning of the rebellion. Of this number, 270 were killed on Sunday, July 19, and on July 20 when fierce battles were fought giving the Government control, and the balance in the following days. More than 1,000 persons were wounded, many of them seriously.

The American Consulate at Vigo July 27 informed the Department of State that apprehension in that city was increasing hourly and voiced the opinion that anarchy and mob rule would follow in the event of the downfall of the military authorities.

United States Ambassador Bowers established headquarters in the U.S. coast guard cutter, *Cayuga*, from where he is supervising protection for Americans in all parts of Spain.

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Japan Intends to Concentrate on Submarines and Destroyers

Discussing Japan's armament plans, the Tokyo *Jiji* July 20 commented:—"In promoting the new construction and air force plans, Japan will not imitate Great Britain or the United States in their building plans but will adopt an independent construction policy. For instance, as regards construction of capital ships, Japan has always followed the traditional policy of constructing the most superior super-dreadnaughts ever since the appearance of this type of vessel. By utilizing this tradition, Japan will build the world's most superior capital ships in quality but will not adopt the policy of competing with the Powers in the number of capital ships quantitatively. As for submarines and destroyers, which are more economical and which are suited for surprise attacks and more fitting for Japan geographically and in which the Japanese are skilled, Japan intends to maintain the world's greatest submarine and destroyer fleet. Concerning aircraft, which is demanded by modern war and which is advantageous to Japan geographically, the Navy will endeavor to effect a phenomenal promotion both quantitatively and qualitatively."

Britain Not Ready to Acknowledge Japan as the "Chief Stabilizing Force"

Recent telegrams from Tokyo reiterate that the "British statesmen, still do not seem to recognize fully Japan's position as the chief stabilizing force in East Asia."

Observers in Tokyo are quoted as asserting that Japan has no territorial designs on China and will fully respect British vested rights in China. They also expressed a hope for a political solution not only of the problems of China but also of the question of Anglo-Japanese trade, especially in view of the increasing friction in the commercial relations between the two countries in British dominions and colonies.

According to *Central News*, Mr. Yoshida, Japanese Ambassador in England, has sent an important report to Tokyo, revealing the British Government's attitude on the China problem. It is reported that the British Government's attitude is one of unswerving insistence on the maintenance of Britain's acquired rights and interests in China. At the same time, it intends to use its influence to bring East Hopei and the Hopei and Chahar Political Council under the factual control of the Central Government. The British Government is also understood to disapprove of Japan's policy in enlarging her sphere of influence in China, and asks Japan to reconsider various concrete questions pertaining to Manchuria and North China.

More Funds Allotted for Singapore Base

What is regarded as an indication of Great Britain's intention to station a strong naval squadron at Singapore to co-operate with the East Indies, China, New Zealand and Australian Squadrons, is seen in the recent £2,000,000 additional vote for the Singapore base approved in the Supplementary Estimates.

Spanish Government Orders Confiscation of Roman Catholic Property

On the basis of Paragraph 4, Article 26, of the Spanish Constitution, prohibiting religious teachings, the President of Spain, Senor Manuel Azana, July 28 issued a decree ordering mayors all over the country to confiscate within five days all Roman Catholic property and materials devoted to education. "It is the inescapable duty of the Government to satisfy the desire of the people for the immediate enforcement of this article," the President declared in issuing the decree.

Japanese Consul at Tientsin Tries in Vain to Secure Release of Smuggled Goods

A consignment of 272 bales of artificial silk (rayon), 20 bags of sugar and 4 bales of piece-goods, which was being put on train No. 305 of the Tientsin-Pukow Railway ready for transport south, was detained at the railway station July 21 by the Tientsin Customs officers in conjunction with the Railway officials and guards.

The Japanese Consul-General at Tientsin called on the Customs Superintendent July 23 and demanded the release of the smuggled goods detained by the Customs authorities at the new station of the Tientsin-Pukow Railway in Tientsin, on the evening of July 21. The *Shun Pao* says the demand was rejected by the Customs official. It is reported that the detained goods will be confiscated.

The *Asahi's* correspondent in wiring details of the incident stated that the Japanese attitude is that Chinese Customs officials have no right to seize goods on land.

It is reported by the *Ta Kung Pao* that a final decision on the smuggling situation in North China will be reached after the arrival of Mr. Kawagoe, Japanese Ambassador to China, in Nanking in the early part of August.

Kerosene, Instead of Rayon and Sugar, Now Principally Smuggled into North China

While rayon and sugar registered a decline, kerosene appeared to become quite a constant item of illicitly imported product in the North China smuggling situation during the week from July 13 to 19 inclusive, according to a report made by the Customs authorities in Shanghai. A total of 5,394 cases of kerosene oil, of 10 gallons each, were smuggled into Tientsin during the week, 1,100 cases having been brought in on July 14 and 4,294 cases on July 17.

A message from Tientsin, July 28, stated that despite the efforts of the Chinese customs authorities to stamp out the illicit trade, smuggling activities continue unbated there, with smuggled goods brought into the city averaging about 20 tons daily.

Japanese Couple Refuses to Allow Customs Examiners to Perform Duties at Shanghai North Station

Among the numerous examples which occur of how Japanese subjects abuse their extraterritorial privileges to thwart the Chinese Customs authorities in the performance of their duties, two may be cited which occurred at Shanghai North Station last week. A Japanese man and woman arrived with two suitcases and a hand bag, on the morning of July 23 on the through train from Peiping. When a Chinese Customs examiner tried to examine their luggage they steadfastly refused to allow it to be opened. A foreign Customs examiner was called, but to no avail; the Japanese couple insisted that some one from the Japanese Consulate should be called. When a Japanese Consular official called, the Customs authorities were met with a request that the baggage should be sent to the Consulate. This is the Customs staff refused to allow. The upshot of the affair was that the two suitcases were sealed by the Customs party and held at the station; the handbag was released. The Japanese couple refused to give their names, and left the station premises in the company of the Japanese official. The previous morning a brief case carried by a Japanese, when examined, was found to contain 250 ounces of heroin. The man was turned over to the Japanese consular police.

Smuggling in Central China Greatly Reduced

As a result of the strict measures taken by the authorities to stop the practice of smuggling very little smuggled goods are being sent to Hankow and other ports in Central China, according to well-informed commercial leaders, quoted in a Hankow despatch to the *Shun Pao* July 23.

Loss of Nine Million Customs Revenues by Tientsin and Chinwangtao Customs

Because of the practice of smuggling in North China, the Tientsin and Chinwangtao Customs collected only $12,000,000 revenues during the first half year of 1936, representing a decrease of $9,000,000 when compared with the corresponding period of last year. The *Shun Pao* says that as large quantities of smuggled goods are stored in Tientsin without a market, the Japanese smugglers have approched the Tientsin Customs promising to pay two-fifths of the regular Customs duty on the goods so as to obtain permission to transport these goods to the South for sale. This request has been refused by the Chinese Customs authorities.

China and Siam Seek Economic Cooperation

Various phases of Sino-Siamese economic co-operation formed the subject of a recent interview in Bangkok between Dr. Ling Ping, Waichiaopu Counsellor and head of the Chinese Economic Mission to Siam, and responsible officials of the Siamese Ministry of Economic Affairs, according to advices received by the Overseas Affairs Commission in Nanking from that country. Dr. Ling's proposal for economic co-operation between the two countries, includes the plans for mutual efforts for the promotion of Sino-Siamese trade, inauguration of regular navigation lines between Siam and China by joint interests, and establishment of a bank either with Chinese capital or Sino-Siamese joint investments to assist in the development of Sino-Siamese trade.

The Chinese Good Will Mission to Siam returned to Shanghai July 27. Headed by Dr. Ling Pin, former Chinese Minister to Cuba, and Lin Kang-hou, Chairman of the Shanghai Bankers' Association, the mission left Shanghai for Siam on May 26. The primary purpose of the mission was to return the good-will visit of the Siamese mission to China last year as well as to convey good-will greetings of the Chinese Government to the Chinese national residing in Siam. The party proceeded to Nanking shortly after its arrival here to report to the Central authorities on the result of their trip.

Manchukuo to Send Mission to Siam

The Manchukuo Government is considering the dispatch of an economic mission to Siam, to promote trade relations between the two countries under a barter system. A message from Hsinking July 23 stated that government representatives have already left for Bangkok to make a preliminary investigation.

Judge Helmick Reserves Decision in Damage Suit Against Charles Raven, Jr.

Charles Raven, Jr., was defendant this week in the U. S. Court for China in a suit brought by Chen Shan, for U.S.$10,000 damages arising out the death of her husband following his being hit while driving a wheelbarrow in the night of April 17 by a car in Avenue Haig which defendant was driving. Giving evidence for the defence, both Mr. and Mrs. Raven and also Walter Raven gave their version of the incident. All three had been in the car. The defendant testified that he had been forced to drive his car slowly due to the rainy weather, the fact that the night was very dark, and also due to the fact that cars were being met coming in the opposite direction and it was necessary to dim his lights and slow down when passing. He stated that he was travelling approximately 16 to 20 miles an hour. A written decision will be given by Judge Helmick at a later date.

May "Current History" Is Banned by Japanese —Contains Biography of Takahashi

The offices of the magazine *Current History* in New York announced July 14 that the postoffice at Kobe had confiscated copies of the May issue and termed them "forbidden in Nippon."

Reference to the magazine shows that the principal article is entitled "My Father, Takahashi," written by his son, Riichi Takahashi, who is a member of the New York staff of Mitsui & Co., Ltd. The last paragraph reads: "I see a very old man stabbed to death in his sleep. He is my father. He was esteemed by his Emperor. He has served his country well. The weapons that took his life were made to protect his country from its enemies. I shut my eyes. I feel sad. Never, I hope, will it happen again. It is a disgrace to Japan!"

Bureaus of Public Safety to Be Converted Into Police Bureaus

Beginning from January 1 of the 26th Year of the Republic (1937), all Bureaus of Public Safety(*Kung-an Chu*) are to be converted into Police Bureaux (*Ching-Cha Chu*). A decision to this effect was adopted at the 271st meeting of the Executive Yuan in accordance with the joint report of General Chiang Tso-pin, Minister of Interior, General Ho Ying-chin, Minister of War, Admiral Chen Shao-kuan, Minister of the Navy, and Dr. H. H. Kung, Minister of Finance, last week. The outline governing the organization of the various grades of Police organs, together with the recommendations of the four Ministers, were adopted.

Hawaii to Become "Gibraltar of World"

Governor Joseph S. Poindexter, in an interview in New York July 17, stated that Hawaii will become the Gibraltar of the world when the War and Navy Departments have completed their latest fortification program. While emphasizing that no trouble is expected in the Pacific, the Governor said that the effort to make the islands an impregnable fortress had been upset during the last few years and would probably not be completed before 1941. He added that the program encompasses the building of forts, barracks, airports and roadways, one airport near Pearl Harbor to be built at an estimated total expenditure of $19,000,000.

In the United States Court for China

In re.
the Estate
of
LEONARD AGOR
SCOTCHMER,
Deceased.

Cause No. 4086
Special Proceedings
No. 1964
NOTICE
Filed at Shanghai, China,
July 23, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Leonard Agor Scotchmer, deceased, to present the same with vouchers to the undersigned on or before February 1, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Olive Damoth Scotchmer,
Administratrix
c/o Allman & Co.
206 Hamilton House
Shanghai, China

Shanghai, China.

CUSTOMS NOTIFICATION NO. 1532.

With reference to Customs Notification No. 1458, the public is hereby notified that, in accordance with Government instructions, native duty-free goods exported and native goods re-exported from Shanghai will be exempted from Conservancy Dues for a further period of one year from the 1st August, 1936.

H. O. TONG,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 27th July, 1936.

CUSTOMS NOTIFICATION NO. 1533.

The public is hereby notified that, in accordance with Government instructions, Native Goods Conveyance Certificates will be issued on application to cover, on transportation inland, *bona fide* native goods which are similar to and therefore likely to be mistaken for the foreign goods specified in Customs Notification No. 1521.

H. O. TONG,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 27th July, 1936.

French Intend to Establish Trading Office in Manchuria

The Tokyo *Asahi* July 21 printed a telegram from Hsinking to the effect that French trade representatives are about to establish a Manchuria Trade Office in the Manchurian capital, consisting of a trading department and enterprise department. The enterprise department will have charge of sales of engineering and construction materials and also undertake construction work, while the trading department will establish commercial exhibition halls in Paris and Hsinking for the introduction of Manchurian and French goods.

Manchukuo to Strengthen Propaganda Facilities

Advices from Hsinking indicate that Government leaders there are pressing for the creation of a powerful new propaganda organ with a view to "propagating the ideals underlying the establishment of the new Empire." The proposed agency, which will take the form of either a Propaganda Ministry or a Propaganda Bureau, will have under its control the Information Bureau of the General Affairs Board, the Bureau of Information and Publicity of the Foreign Ministry, the Manchukuo Press Association and the Manchukuo Broadcasting Association.

S.M.R. Now Ready to Consolidate North China Footing

Mr. Matsuoka, president of the South Manchuria Railway Company, interviewed in a recent visit to Tokyo, stated that his immediate task after his return to Dairen would be the reorganization of the Company preliminary to the proposed unification of all railways in Manchuria. He expressed the belief that with the support of the Kwantung Garrison he will eventually suceed. He said the Company had now come out of its chrysalis stage, and may now realise quietly schemes such as the exploitation of North Manchuria and the establishment of an economic footing in North China. Mr. Matsuoka expressed his firm belief that the Government and the nation at large would fully support the Company in the execution of its mission.

Manchuria Development Co. Hopes to "Plant" Five Million Emigrants in Manchuria in 20 Years

A recent message to the *Asahi* from Dairen stated that the Kwantung Garrison authorities, after consultation with the Manchukuo Government and the South Manchuria Railway Company, have now reached a decision on the basic points of their colonization scheme. The proposed plan aims at the colonization of 1,000,000 families, or 5,000,000 persons, within 20 years. For this purpose, approximately 25,000,000 acres of uncultivated land will have to be bought, and if a subsidy of Yen 1,000 is granted each family the entire scheme will involve Yen 1,800,000,000.

According to the basic points now agreed upon, the scheme will be built round the Manchuria Development Company. This Company is at present capitalised at Yen 15,000,000, with Yen 9,000,000 paid up. This is to be increased to Yen 50,000,000 as speedily as possible. The Company is also to be authorised to issue Yen 300,000,000 in debentures, which will be guaranteed by the Government. With this fund, 200,000 families, or 1,000,000 persons, are to be sent.

Manchukuo "Recognized" by Delegates at Railway Conference

The Tokyo *Asahi* printed a telegram from Mukden July 21 to the effect that Manchukuo had been completely recognized by representatives of the Powers at the international railway conference at Warsaw. Manchukuo's proposals were seriously conisdered by all delegates, it was stated.

Japanese Firm to Make Rayon and Pulp Out of Reeds in Manchuria

Establishment of a factory which will engage in the production of pulp, paper and rayon out of reeds, near Sanhotzu, Manchuria, has been tentatively decided by the Kanegafuchi Cotton Manufacturing Company, Japan's third largest cotton manufacturing concern.

Border Problems Ceuse Tightening Up of Regulations Regarding Maps and Charts

In accordance with the joint report of the Ministries of Interior, Foreign Affairs, Navy and Education and the Mongolian and Tibetan Affairs Commission, the following three measures regarding the examination of maps and charts were approved at the 271st meeting of the Executive Yuan July 21.

1.—Matters relating to the examination of maps and charts are to be entrusted to the Ministry of Interior; but, in order to facilitate the work, experts of the various organs concerned may be chosen and invited for joint examination.

2.—The Ministry of Interior is to be entrusted with the revision of the Regulations governing the Examination of Maps and Charts, and the Detailed Rules relating to the Application thereof, for submission to the Yuan for consideration.

3.—Pending the revision of the Regulations governing Examination of Maps and Charts and the Detailed Rules relating to the Application thereof, the Ministry of Interior is to be authorized to examine maps and charts in accordance with the existing regulations and detailed rules.

Head Office of Canton-Hankow Railway to Be Established at Hengchow

The unification of the Canton-Hankow Railway Administration, once a thorny problem, is now an accomplished fact, as the Minister of Railways, in an order July 24, announced that the head office of the line will be established in Hengchow, midway between Canton and Hankow.

Before the liquidation of the military situation in the Southwest, Canton was a strong bidder for the location of the head office, while Wuchang and Hankow also prayed for a decision in their favor. To partly satisfy each of them the Ministry revealed the plan of setting up branches in both cities when necessary. The unified administraion, as previously annonnced, will be headed by Ling Hung-hsun with Chow Chung-chi as assistant managing director.

Facilitated by the liquidation of the semi-independent status of Kwangtung, a unified administration for the newly-completed Canton-Hankow Railway has been announced by the Ministry of Railways. Ling Hung-hsun has been appointed Managing-Director of the Administration and Chow Chung-chi Assistant Managing-Director. With its inauguration on August 1, the Hunan-Hupeh and Canton-Shaokwan Railway Administrations which have hitherto been in existence side by side will be abolished. Through traffic on the entire line from Hankow to Canton, is to be inaugurated on Oct. 10, China's Independence Day, as previously scheduled.

Lin Hung-hsun, the newly-appointed Managing-Director of the entire line, proceeded this week to Pingshek, northern Kwangtung, to make the necessary arrangements for the opening of the line. Tseng Yang-fu, Political Vice-Minister of Railways, who recently arrived at Hengchow after an inspection of the Chekiang-Kiangsi Railway, has also proceeded south to inspect the southern section of the Canton-Hankow Railway.

Chang Chi Stresses Need of Communications in Northwest

The importance of developing communications in the Northwest was stressed by Chang Chi, member of the C.S.C., in the course of an address at the weekly memorial service at National Government House in Nanking July 27. Referring to the development of the North-west, Mr. Chang said that the North-west is important both politically, economically and militarily. In order to facilitate the development of this vast area, the system of communications must be fully developed. The present Lung-hai Railway is the chief means of communications in the North-west. Before it was extended to Sian, provincial capital of Shensi, the world knew little of the vastness of the North-west. Now, however, not only has the population of Sian increased from 130,000 to 180,000, but the export of cotton from Shensi has also been augmented from 20 million piculs to 40 million piculs per year.

Four Hopei Highways Opened to Traffic

Four highways, recently completed by the Reconstruction Commission of the Hopei and Chahar Political Council, were thrown open to traffic July 25. They are the Peiping-Taming highway, the Tientsin-Paoting highway, the Tientsin-Yenshan highway and the Changchow-Yenshan-Chingyun highway. Their combined length is 2,000 li, or about 650 miles. The opening exercises were held at Hsiaochinchun, a village about two miles from the Changyimen, and the starting point of the Peiping-Taming highway. General Men Chih-chung, chairman of the Reconstruction Commission, presided.

Twenty Villages Are Flooded When Northern Section of Grand Canal Overflows Banks

The northern section of the Grand Canal at Tungchow overflowed its banks July 24 inundating more than 20 villages along its banks.

The Yellow River was still rising in Shantung province this week. The private dykes at Kangtun, along the upper reaches in western Shantung, are reported to have been damaged by the surging current and are in a precarious position.

The flood situation in Hopei province was intensified July 27 when more than 30 villages in the two districts of Tientsin and Wutsing, north of Tientsin city, were submerged as a result of the collapse of a large section of the Yungting River dykes.

Nanking Will Be Free from Flood

Nanking advices state that the Capital will be free from the danger of flood during the tidal seas this coming fall, with the Yangtsze registering very low watermarks for the past several days.

Famine Feared in Kweichow

Kweichow, one of the leanest provinces of China, is again faced with the threat of an extensive famine this autumn as the result of a prolonged drought in large parts of the province.

Hin Wong Appointed Chairman of Faculty of Journalism at Shanghai School of Commerce

Hin Wong has accepted the appointment by the University of Shanghai as chairman of the faculty of journalism in its downtown School of Commerce. Mr. Wong has been in charge of a number of journalism courses at the University during the last several months, in addition to his service as advisor to a number of student publications. Mr. Wong received his bachelor of journalism degree from the University of Missouri 1912. He was many year correspondent for *Reuter's*, *Associated Press*, *China Weekly Review*, *China Press*, and other news agencies and newspapers at home and abroad, including those in the Straits Settlements and Siam.

Hin Wong

Mr. Wong covered the Washington Disarmament Conference for south China papers in 1921-1922 and also attended a number of international gatherings in the interest of Chinese journalism, including the Press Congress of the World of which he still holds the honor of a vice-president, the Institute of Pacific Relations, and the Advertising Clubs of the World.

Since 1927, Mr. Wong has given much attention to work for education for journalism. He was two years chairman of committee on education for journalism of the Chinese Institute of Journalism of Hongkong, lecturer in journalism of the College of Political Science of Sun Yat-sen University, 1928, and professor and chairman of the Department of Journalism of Yenching University, 1929-1934.

Vocational School to Be Established at Nanking at Government Expense

Establishment of a model vocational school in Nanking at Government expense, nationwide training of vocational teachers, and granting of subsidies to worthy vocational schools are the three salient points of a program mapped out by the Ministry of Education for the promotion of vocational education in China.

The Kiangsu Provincial Government Committee, at a meeting in Chinkiang July 21, decided to appropriate a sum of $50,000 from the General Reserve Fund for the promotion of free education during the present fiscal year.

With a view to seeking relief for possible unemployment, a delegation of the national Chinan University graduates, who major in railway administration, proceeded to Nanking July 24 to petition the Ministry of Railways to grant them jobs in the various railways.

Million Dollars Raised for New Buildings of National Szechuen University

A sum of $1,050,000 for the construction of new buildings for the National Szechuen University, was remitted to Chengtu, July 22, by the Szechuan Provincial Bank from Chungking and is now deposited at the Chengtu branch of the Central Bank of China. The amount was secured by mortgage of part of the Szechuen Provincial Rehabilitation Loan, totalling $1,500,000, allocated for the University.

New Building Planned for World's Chinese Students' Federation

A new building for the World's Chinese Students' Federation, Shanghai, is being planned by P. K. Chu, general secretary of the Federation. In addition to the fund amounting to approximately $40,000 secured from the veterans in government service and other sources, Mr. Chu has lately received another contribution of about $60,000 from Tsang Shao-ling, a well-known resident of Shanghai, during the occasion of the celebration of his 60th birthday. The contribution was formally handed over at a meeting held at the Park Hotel, July 27.

100 College Graduates to Be Selected for Government Employment by Examinations

A total of 100 college graduates will be selected from the army of applicants participating in the forthcoming special civil service examinations at Paoting, Tientsin and Peiping under the auspices of the Hopei and Chahar Political Council. The successful candidates will be given three months of rigid training after which they will be employed in varied capacities by government organizations in Hopei, Chahar, Tientsin and Peiping. During the training period each student will be given a monthly allowance of $30.

In the United States Court for China

IN THE MATTER OF CLAUDE H. CURTIS, BANKRUPT.	Cause No. 3933 Civil No. 1855 PETITION FOR DISCHARGE.
IN BANKRUPTCY.	Filed at Shanghai, China, the 22 day of July, 1936 William T. Collins, Clerk.

BANKRUPT'S PETITION FOR DISCHARGE.

To the Honorable Milton J. Helmick, Judge of the United States Court for China:

Claude H. Curtis, of Shanghai, China, respectfully represents that on the 17th day of August, last past, he was duly adjudged bankrupt under the acts of congress relating to bankruptcy, that he has duly surrendered all his property and rights of property, and has fully complied with all the requirements of said acts and of the orders of the Court touching his bankruptcy.

Wherefore he prays that he may be decreed by the Court to have a full discharge from all debts provable against his estate under said bankrupt acts, except such debts as are excepted by law from such discharge.

Dated this 22 day of July, 1936.

P. F. FAISON

Attorney for the bankrupt.

ORDER OF NOTICE THEREON

Shanghai, China.

On this 22 day of July, 1936, on reading the foregoing petition, it is

Ordered by the Court, that a hearing he had upon the same on the 22 day of September, 1936, before said Court, at 2 o'clock in the afternoon; and that notice thereof be published in the China Weekly Review, a newspaper printed in said city of Shanghai, China, and that all known creditors and other persons in interest may appear at said time and place and show cause, if any they have, why the prayer of said petitioner should not be granted.

And it is further ordered by the Court, that the clerk shall send by mail to all known creditors copies of said petition and this order, addressed to them at their places of residence as stated.

Witness the Honorable Milton J. Helmick, Judge of the said Court, and the seal thereof, at Shanghai, China, on the 22 day of July, 1936.

WILLIAM T. COLLINS, Clerk.

Britons, Italians and Greeks Figure Prominently in Narcotic Traffic in Egypt

Twenty-nine persons of British nationality are listed as having been "big dealers" in illicit drugs last year in the annual report of the Central Narcotics Intelligence Bureau recently issued by the Egyptian Government. This figure contrasts with 17 in 1934. Italians totalled 42 under this category—as against 27 listed for the previous year. Most of the "big dealers," however, are of Greek nationality, of whom there were 56 in 1935 and 50 in 1934. The report is prepared by Russell Pasha, British Director of the C.N.I.B. and Commandant of the Cairo City Police.

Kwangtung To Suppress Opium and Gambling

An official announcement was issued at Canton July 21 that the Kwangtung Provincial Government has decided completely to suppress opium-smoking and gambling in Kwangtung. The Governor, Lin Yun-kai, declares that these steps were for a long time considered imperative, but owing to the fact that a large part of the revenue going towards military expenses was derived from opium and gambling taxes, restrictive meausres were not enforced.

In a telegram to Gen. Chiang Kai-shek, July 26, Lin Yun-kai, Chairman of the Kwangtung Provincial Government, stated that concrete measures for the extermination of opium smoking and gambling in Kwangtung had been decided upon at a meeting of the Provincial Government.

Suppression of opium and gambling in Kwangtung by stages was decided upon at a meeting of the Kwangtung Provincial Government Committee July 21 on the recommendation of Lin Yun-kai, the Chairman.

The *Ta Kung Pao* states that the Szechuen Provincial Government has negotiated a loan of $2,900,000 from Shanghai banks with the revenue from public sale of opium, estimated at nine million dollars for the year, as security.

Old Offender Recaptured in French Concession

Zau Kau-bau, alias "Little Shantung," and so-called "Red Pill King of Shanghai," who four years ago jumped $8,000 bail in the French Concession in 1932, was arrested by the French Police, co-operating with the Shanghai Municipal Police, July 18, in a raid conducted at a teashop on Kwangse Road. Zau was found in the establishment asleep.

Japanese Start to Plant Opium in Eastern Hopei

The Canton *Tse Shih Er Hang Shan Pao* printed a dispatch from Tientsin to the effect that the Japanese have started planting opium in Fengchen and Yutien in Eastern Hopei. Opium from these districts is to be sold at a much lower price than Chinese opium in Yunnan.

A Japanese was arrested at the railway station at Suntch on the Peiping-Hankow line on charges of smuggling of drugs July 18. A large quantity of heroin and other narcotic drugs were discovered in his luggage.

French Representative at Chengtu No Longer "Consul," But Japanese Appoint New Official

Upon representations of the Waichiaopu, the French Embassy at Nanking has consented to instruct the French consular representative in Chengtu to drop his title as Consul. The Waichiaopu's representation was based on the fact that Chengtu is not a treaty port. The *Central News* recalls that the practice of foreign consulate in Chungking to station resident representatives in Chengtu, began during the last years of the Manchu regime. At that time the office of the Szechwan viceroy was in Chengtu, and to facilitate negotiations between foreign consular representatives and the Szechwan governor, many of the foreign consulates stationed representatives in Chengtu.

Diplomatic circles in Nanking are stated to be watching with interest the appointment of Mr. Iwai, Chancellor in the Japanese Embassy, as Japanese consul in Chengtu. It is generally believed that the Chinese Government will not recognize the new Japanese consulate, as Japan has no right to send any consular representative to a non-treaty port.

Lieut.-Gen. Chang to Become Superintendent of Tientsin Customs

Lieut-General Chang Yun-yung, Director of the Hopei Peace Preservation forces, has been slated for the post of Superintendent of the Tientsin Customs in succession to Lin Shih-tse whose resignation has been accepted by the Ministry of Finance, official circles indicate.

Ke Ting-yuan, who was newly appointed a member of the Hopei-Chahar Political Council, has tendered his resignation from his concurrent post as Salt Commissioner of the Changlu area.

Chinese Maid Servant Is Questioned in Nakayama Case

Further evidence was given in the First Special District Court in Shanghai in connection with the murder of H. Nakayama, a Japanese marine, on November 9 last, July 28, when Pu Chiao-ying, an 18-year-old maid servant, who had gone to her native district in north Kiangsu some time ago, but who had in the meantime been brought back, was asked tell what she knew about the case. Questioned by the Judge, the witness said she was employed last year at a Japanese house in the Yung En Terrace, North Szechuen Road. On Nov. 9, at about 8 p.m., witness continued, she took a child for a stroll and when they passed Darroch Road, they saw a Japanese marine and a man in black foreign-style clothing were walking from south to north along Darroch Road, but the marine was on the west side of the road and the other one, along the east side. Witness, however, said she could not identify any of the three accused as the man in black clothing whom she met on the night in question.

Asked what happened after that, witness said, when she was near a hot water shop, she heard a shot and then returned home by another route. She dared not turn her head and slipped into the shop to protect herself. After hiding for sometime she returned to her mistress's home by another road.

The three accused men, Yang Wen-tao, Yih Hai-sen (Hsiao Kwangtung), and Chow Hsia-yung, gazed straight at the witness as she talked. She was asked if she could identify any one of three prisoners as the man she saw walking along Darroch Road in dark clothes. After looking them over carefully, she stated that she could not. She explained that it was quite dark at the time and she had not obtained a very good view of either the sailor or the civilian. In a previous hearing, however, Yih Hai-sen, who has confessed to the shooting, admitted that he wore a dark suit of clothes on the night of the murder.

Japanese See "Lack of Sincerity"

The *Shanghai Nippo* July 29 stated that the decision of the Chinese Court regarding the murder case of Sargeant Nakayama has roused special attention not only among the Japanese Naval Forces in Shanghai but also the whole of the Japanese community. The "lack of sincerity and responsibility on the part of the Chinese Court" was once more stressed.

Japanese Ask to Have "Sasaki" Case at Peiping Reopened

Reopening the "Sasaki" case, Yoshio Muto, First Secretary of the Japanese Embassy in Peiping July 27 handed to D. J. Cowan, First Secretary of the British Embassy, a note setting forth the views of the Tokyo Foreign Office on the acquittal of two British soldiers accused of being involved in the murder of Kosaku Mayau, a Japanese employed by the Manchukuo Defense Department. The note also requested the British authorities to "pay due attention to the incident."

Damage Suit Filed Against Shanghai Municipal Council for $180,000

The Court of Consuls will some time in September hear the case in which the Shanghai Municipal Council has been made a defendant in a suit for damages in the sum of $180,000 by the relatives of seven men who lost their lives on the early morning of May 16 when the automobile in which they were riding ran off the end of Yangtszepoo Road into the Whangpoo River. The men who lost their lives in the tragedy were Messrs. Chen Son-shan, Wong Yung-kwei, Koo Ching-cheng, Hu Chin-lieu, Tung Tse-yuen, Koo Chang-chiu and Yeh Tze-ping. The first mentioned was the driver of the car machine, and it is alleged in the complaint that the S.M.C. was at fault for not having proper sign-posts and barriers along the road and at the point where the car plunged into the river. Negligence is charged against the S.M.C. and at the same time, a case in precedence is offered to back up the claim. The incident cited occurred during the Sino-Japanese trouble in 1932 when a truck filled with Japanese marines ran off the road into the river at the same point, all losing their lives.

Britain Will Keep Embassy in Peiping for the Present, Says Eden

"Abandonment of the present British Embassy at Peiping is not contemplated. There are important British interests in North China which render its retention desirable," Anthony Eden, declared in the House of Commons July 27.

He added that quarters already existed for accommodation of the Ambassador and one secretary at Nanking; the Ambassador resides in the capital for considerable periods each year. He said he was unable to state when it will be possible to have the whole staff of the Embassy in Nanking, as this must depend upon the construction of necessary premises.

Who's Who in China

陳訓泳字道培
Vice-Admiral Chen Hsun-yung
(Chen Tou-pai)

Vice-Admiral Chen Hsun-yung, naval officer; born at Foochow, Fukien, 1880; graduate, Naval College, Mamoi; Captain, Gunboat Chu-Tung, Sloop Yung-Chian, Transport Pu-An, Training Ship Tung-Chi and Cruiser Hai-Chou; Commander, Training Squadron of Chinese Navy; member, National Military Council; Administrative Vice-Minister of Navy, since Jan. 1934; address; Ministry of Navy, Nanking.

陳訓泳字道培，福建閩侯縣人，年五十六歲，畢業於福建馬尾海軍學校，歷任各艦艦長，海軍實習艦隊司令，軍事委員會委員，一九三四年一月起任海軍部常務次長，通信處：南京，海軍部。

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Preparing for War with U. S. A.?

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Men and Events

Paul R. Josselyn, U. S. Consul-General at Hankow, departed this week on a six months' vacation trip to the United States.

Webb Baer, representative in the Far East for Union Oil Company of California, arrived in Shanghai from Japan this week on a business trip.

Dr. George Sellett, former U. S. District Attorney and at present Receiver for the defunct Raven properties, went to Tientsin on business last week.

The French Academy of Colonial Sciences July 21 elected the Reverend Father Legeay, S. J., Director of the Shanghai Zikawei Observatory, as a non-resident member.

The death occurred in Penang July 27 of Khoo Hooi-hye, the well-known Chinese tennis player. Mr. Khoo was formerly champion of Shanghai and at one time represented China in the Davis Cup.

Miss Sung Ching-chao, daughter of Gen. Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council, was married July 26 to Chia Cheng-tsan, son of Chia Teh-yao, a former Peking Government official.

Dr. Ma Chun-shih, well-known Shanghai lawyer, who was sent by the Judicial Yuan in January last year to study judicial conditions in various countries in Europe and America, returned here from Italy July 25.

Following the completion of a chain of lights along the middle of the river, night navigation between Hankow and Ichang is now possible, according to an announcement issued by the River Office in Hankow July 16.

C. H. French, Vice-President and General Manager of Andersen, Meyer and Company, who was confined to the hospital for several weeks as a result of an operation, has recovered his health and returned to his apartment at the American Club.

In pursuance of a recent order of the Central Government, the Hopei and Chahar Political Council has ordered the Tientsin Municipal Government immediately to suspend the sale of the Tientsin Charity Lottery, which is now in its third issue.

The tree which for 50 years had stood unnoticed on a secluded farm in Dr. Sun's native village, was recently uprooted for shipment to Nanking at the suggestion of Sun Fo, son of the late Party Leader. The tree is expected to arrive in the capital early next month.

Dr. William Campbell, noted American educator, arrived in Shanghai July 27 at the head of an educational investigation group from the University of Southern California. Aside from visiting important educational institutions he will deliver several public lectures before proceeding to North China.

The *Tokyo Asahi* in chronicling the fact that San Francisco plans to hold a huge exposition in 1939, one year before Japan's international exposition, in memory of the completion of Golden Gate and Oakland Bay Bridge, headed the item "America Hurls Bombshell Against Japan."

General Chiang Kwang-nai, commander-in-chief of the 19th Route Army, heroic defender during the Shanghai Incident, has now joined the movies in Hongkong. He will star in a picture to be produced by the Unique Motion Picture Company entitled "The National Hero of China."

Dr. U. G. Dubach, Dean of Men of the University of Washington, was the guest of honor at a tiffin party July 21 in the Shanghai Bankers' Club given by S. C. Leung, general secretary of the National Committee of the Y.M.C.A. of China. Dean Dubach is a staunch supporter of the Y.M.C.A.

The National Quarantine Administration is contemplating the establishment of a station at Mamoi below Foochow. Dr. Wu Lien-teh, Director of the Administraton, at present inspecting conditions in Amoy, is due in Mamoi shortly to confer with the provincial authorities concerning this project.

Forty inmates of the city jail in Peihsien, north of Hsuchow, made their escape in a daring jail break July 25. As the result of "sweeping" movements by the police and the peace preservation corps about 30 of the escaped prisoners were recaptured within a short time. One of the jail breakers was shot dead.

D. V. Bogomoloff, Soviet Ambassador to China, accompanied by Mme. Bogomoloff, proceeded to Tsingtao by airplane for their summer vacation July 25. After one month's stay in the summer resort Ambassador Bogomoloff will proceed to Peiping to attend to matters in connection with the Soviet Embassy there.

Showin Wetsen Hsu, President of the Second Kiangsu High Court, was cut about the head and face by broken glass on the night of July 24, when his chauffeur drove Mr. Hsu's car head-on into a traffic light post at the intersection of Seymour Road and Avenue Foch. The chauffeur miraculously escaped injury.

A Sino-Belgian Cultural Association is to be inaugurated in Nanking shortly. The Association will include around 100 of China's returned students from Belgium who are now connected with the various government organs in the capital; also Belgian residents and Belgian diplomatic and consular officials in Nanking.

For the purpose of training competent pharmacists, a Pharmaceutical School will shortly be established by the Ministry of Education. A sum of $40,000 has been alloted as initial expenses and a preparatory committee of three members has been formed to make all necessary arrangements for the establishment of the school.

The *Mill Valley Record*, California, of June 19 printed an article by John Earl Baker, former advisor to the China International Famine Relief Commission, who is now living in retirement in Mill Valley. In the article, which is entitled "China Makes Progress," Mr. Baker describes the success which has been achieved by the National Government.

The Tokyo *Asahi* July 19 stated that the Paramount Show, consisting of 36 dancers from Italy, Russia, England and the United States, was stranded in Kobe. They had been scheduled to leave for Shanghai the previous day upon the expiration of their passports but financial difficulties developed trouble. A group of 26 who stopped at the Motomachi Hotel could pay only 60 per cent of their hotel bills, whereupon the hotel seized many trunks.

The *North China Daily News* says that Mrs. Paul Dewit Twinem, a student worker in Nanking who has been active in the service of the students of the University of Nanking and of the Central University, has given up her American citizenship and has become a citizen of China. She came to China in 1919 and was married in 1922 to Prof. Paul Dewit Twinem, of the faculty of the University of Nanking. Prof. Twinem died about a year later and Mrs. Twinem has continued in the work for the students of China.

As a result of the mediation of the local authorities, the strike of the women workers of the silk filatures in Shanghai came to an end July 15, when practically all the workers returned to work. The filature owners agreed to a wage increase. Four policemen and seven women workers were wounded as a result of a clash between the police force and the women workers of Wusih silk filatures at Tzetso bridge July 15 on their way to the Yung Tai Silk Filature. The strike at Wusih has since also been settled.

Vladimir Moskvitin, unemployed Russian, 22 years of age, was sentenced to four months imprisonment at the Second Branch Kiangsu High Court July 24, following conviction on a charge of having insulted the Soviet emblem. The evidence showed that he had, during the night of June 8, at a time when it was raining, thrown a stone covered with mud at the emblem of the Soviet Consulate General in Shanghai. Moskvitin was given the alternative of paying a fine at the rate of $2 a day, but, as he has no money, he will serve the sentence.

Hsu Vung-liang, an employee of the Socony-Vacuum Co., who was kidnapped from his home in Yu Yuen Road, Shanghai July 13, was rescued unharmed five days later in a country house in Nanziang as the result of a raid conducted by a Settlement Police party. The rescue was effected after a gun battle in which some 30 shots were fired and one bandit was hit four times. Seven persons, including a woman, were arrested. Only one member of the kidnapping gang escaped and he is believed to have been wounded.

The Rev. W. H. Hudspeth, M.A., was recently appointed to succeed the Rev. G. W. Sheppard in Shanghai as the General Secretary for China of the British and Foreign Bible Society. Mr. Hudspeth first came out to China in 1909 and was a colleague of Samuel Pollard, apostle to the tribes of Northern Yunnan. Mr. Pollard was engaged in translating the New Testament into Miao. After service in the Great War he proceeded to Cambridge, where he obtained a degree in Chinese. He is well qualified as a Bible translator and as a student, both of the Miao and Mandarin languages.

Dr. K. K. Chen, director of pharmacologic research in the laboratories of Eli Lilly and Company, a leading manufacturer of drugs, chemicals and medicines in the United States, recently returned to China. Dr. Chen was responsible for the isolation of the substance known to the medical world as ephedrine from the *ma huang* plant, used in asthmatic aud nose complaints. Dr. Chen is co-author with Dr. Carl F. Schmidt of the University of Pennsylvania Medical School, of a book on "Ephedrine and Its Related Compounds." He has written 150 pamphlets on various phases of pharmacology.

The Chinese athletic delegation and investigation mission arrived in Berlin July 23. The party was greeted at the station by a large gathering of Chinese Embassy officials, students, merchants and German government official representatives. The athletic delegation was entertained by Dr. Cheng Tien-fang, Chinese Ambassador to Berlin, at a luncheon reception. Among those who spoke at the reception were Tai Chi-tao, President of the Examination Yuan and official representative of the Chinese Government, and Chow Lu, President of the Chungshan University in Canton, who is now on a tour in Europe. Dr. C. T. Wang, former Foreign Minister, is among the Chinese notables who has arrived in Berlin to witness the games.

Su Keh-yuan, an American returned criminologist, has been appointed warden of the Second Prison in Shanghai.

Yen Kan-tang, newly appointed Director of the Kwangtung Telegraph Bureau, proceeded to Canton this week to assume his new post.

The death occurred in Shanghai July 23 of Kao Mon-tan at the age of 68. He was a director of the Commercial Press, largest printing establishment in China.

Joe Joven, 30-year-old Filipino, was sentenced to death in San Jose, Cal., July 27 by hanging, for the murder of Otto Hook Sang, a Mountain View restaurant proprietor, on Nov. 6, 1935.

Dr. Walt Holcomb, pastor of First Methodist Church, Decatur, Georgia, U.S.A., is now visiting Shanghai on a preaching mission. He is the son-in-law of the late Sam Jones, noted American Evangelist.

A Szechwan Investigation Party, organized by the Southwest Reconstruction Society in Nanking, has left for that frontier province to study mineral resources, light industries, agriculture and education there.

Dr. and Mrs. Lin Yutang, will depart from Shanghai shortly for America, where they expect to live for a year. Dr. Lin came into much prominence recently as the author of "My Country and My People."

Wu Chien-tao has tendered his resignation as Provincial Commissioner of Finance for Kiangsi in view of his appointment as Director of the Consolidated Tax Bureau for the Kwangtung-Kwangsi-Fukien Area.

Jennings Wang, counsellor to the City Government of Nanking, is in charge of arrangements for the mass citizens oathtaking on August 6, 7 and 8 in his capacity as chief of the Bureau for the promotion of Self-Government in Nanking.

Chu Chang-nien, former Chinese Minister to Norway and Sweden, is understood to have been slated as Customs Superintendent of Shanghai succeeding H. O. Tong who has recently been made Salt Commissioner for Kwangtung and Kwangsi.

Four privates of the Lancashire Fusiliers, stationed in Shanghai, whose disappearance, last Friday, was notified to the police of the three Shanghai areas, turned up after an absence from duty of two days. They had greatly overstayed their leave. They are now confined to barracks and may be court-martialed.

The Sino-German Association held its first annual meeting in Nanking July 28. In the absence of Dr. Chu Chia-hwa, the Chairman, Chung Pei-hwa presided. Fourteen new directors of the Association were elected, including Dr. Chu Chia-hwa, Dr. Wong Tse-lung, Chung Pei-hwa, Col. Hermann Kriebel, Herr Fischer, and Prof. Wissman.

The death is announced of A. J. Laffler, who was a resident of Shanghai for 16 years, at his home in San Diego, California. Deceased was for many years a refrigeration engineer with the Amos Bird Company, dealers in produce and egg exporters. He retired from this post three years ago.

Dr. Leonard Hsu, accompanied by his family, sailed this week for the United States to attend the Sixth Biennial Conference of the Institute of Pacific Relations to be held at Yosemite Park in California, August 15-29. Being a native of Iowa, Mrs. Hsu is planning to take her children to visit her home town, among other places of interest.

Dr. Arthur Young, Adviser to the Ministry of Finance, accompanied by Mrs. Young, departed this week for the United States on vacation, traveling by way of the Trans-Siberian Railway and Europe. Dr. Young came to China several years ago as a member of the Kemmerer Monetary Commission and along with several other members of that group remained in China as a financial adviser to the government.

Lady Dorothea Hosie, daughter of late Prof. W. E. Soothill of Hongkong and widow of the late Sir Alexander Hosie of the British Consular Service, arrived in Shanghai this week on a visit, her first to this city in ten years. Lady Hosie was born in Ningpo and attended school in England where she studied at Newsham College, Cambridge, specializing in teaching methods. She assisted her husband in the preparation of a standard commercial map of China. In recent years she has resided in England and has devoted herself to writing and lecturing.

The Rev. Clarence Burns, held captive by Chinese bandits in Manchukuo, signed a ransom letter asking for payment of $1,500,000 with full knowledge that the amount would never be raised, according to Rev. William T. Cummings, superior of the Maryknoll fathers in the western part of the United States. Father Burns is a graduate of Maryknoll Junior Seminary at Los Altos, Cal. "The only reason he signed that letter," Father Cummings is quoted in a recent dispatch from San Francisco as saying, "is that he wished to let us know that he was still alive. Father Burns and each of the 167 missionaries in the field, knows very well our policy of refusing ransom demands, and he subscribes to it. To comply with such demands would be to encourage lawlessness."

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New Books of Interest in the Far East

Changes in China Noted by Veteran Newspaperman

China Changes, by Gerald Yorke. Charles Scribner's Sons, New York, 1936. Price U.S.$2.50

Gerald Yorke has written his book, "China Changes", primarily as a record of his two years in China as *Reuter's* correspondent. In addition he has given his interpretation and that of influential Chinese and foreigners of China's most pressing problems of adjustment, both foreign and domestic, with special emphasis on the latter. The book is unhampered by depressing statistics, which, are, as a rule, all too easily forgotten. It is a book memorable as a record of personal experiences on some of China's all too numerous battlefields, its sidelights on Chinese thought—Buddhist, Confucian and Taoist, and its interpretation and discussion of China's agrarian, social and economic problems. China's present chaotic conditions are analyzed, through the light of personal experience, in reference to the impact of Western thought and manners on Chinese life, and the subsequent partial breakdown which Chinese philosophy has suffered as a result of contact with a civilization based on the right of the individual as against that of the family.

The story starts with the writer's arrival in Shanghai and his trip up the Yangtsze in company with a party chosen by the Chinese Government to inspect the dyke systems of the Yangtsze and Hwai river valleys, which had just been rebuilt after the disastrous floods of 1931. The trip was especially interesting on account of the various types of people with whom the author travelled, both foreign and Chinese. The contrast between Western ideas and Chinese is vividly exemplified in the characterization of the various members of the commission. Summing up his fellow travellers, the author states, "The party provided in miniature an excellent portrait of China as she is today. The old system of ethical and unspecialized training, which produced the poets, scholars and statesmen of the past, has broken down. Nothing has as yet replaced it. During the interval, foreign presence is needed to ensure efficiency where the interests of the community are at stake rather than the profits of some individual, his family and friends." "The scholars (Chinese) of the party were more interested in calligraphy than in dyke inspection," and "The young journalists spent their time railing at the failings of their countrymen; but it did not occur to them to be constructive." Mr. Yorke was particularly impressed with the extent of Chinese culture as manifested by the Chinese intelligentsia who were members of the party. Such of the common people whom he met during the dyke inspection trip and with whom he was able to converse through the aid of an interpreter astonished him by their unfailing cheerfulness and their ability to treat such an enormous disaster as part and parcel of just living. Throughout the trip, as elsewhere in the book, the differences between China and Europe stand out in high relief, and the tremendous difficulties which the commission faced in attempting to bring relief to sufferers in the flooded areas reveal more than anything else the present chaotic conditions of the country.

The scene shifts rapidly to the North and the invasion of Jehol by the Japanese. The author's ambition was to witness the clash between Western efficiency, as exemplified by the Japanese, and Eastern government. Ponyback he rides forth from Peking to find a battle between Chinese and Japanese. Each step of the way is beset with difficulties of every conceivable description. He finds the Chinese armies, but not the battles. Jehol is evacuated with hardly a shot fired, unless one could consider as defense the few scattered "face-saving" shots fired after a decent interval had elapsed following the advance visit of a Japanese plane. Typical of the feeling of the peasantry for the so-called defenders of their country is the story of the owner of a garden plot whose few square yards of ground are left a bomb crater. The owner and his family were completely unmoved—the dead and dying lay not far away—inasmuch as their station in life was to till the soil and make as much as possible from those who passed by. To save their reputation in the eyes of their own people and of the rest of the world, the Chinese made a gallant stand at the Great Wall. But they fought to save their face, and as soon as an armistice was declared were willing to come to terms with their conquerors. Their idea is to get as much out of a new deal of cards as is possible. But the Chinese are confident that they will win in the end. Their way of life is to flow with the stream and not against it. And the Japanese should prove at least as easy to absorb as the Manchus.

Shortly after the Japanese occupation of Jehol, Mr. Yorke in company with Peter Fleming, correspondent of the *London Times*, departed for Kiangsi Province to study Chinese Communism at first hand and also with hopes of once more campaigning with a Chinese army. Shortage of food supplies and the habit of the Central Government's troops of commandeering whatever grain supplies they could find had caused most of the peasantry to be in sympathy with the Communists. The Communistic force was well-armed—a mobile group of raiders of some 10,000 men which acted on information from peasants in the surrounding country and which never struck unless they outnumbered their opponents ten to one. Each week they annihilated new detachments sent against them, escaping before reinforcements could be brought up. At that time Communist forces were the best disciplined in China, and no destruction or looting was allowed. As part of the propaganda against the Government troops they paid for what they wanted and treated the peasants better. However, in the end Mr. Yorke thinks they are bound to lose, because of their attempt to transfer too quickly the allegiance of the individual from the family and the Confucian system to the party. Communism's usefulness will be limited to destroying in isolated districts from time to time all that is old and outworn in preparation for a new order.

Fukien Province is the setting for the next disturbance, the revolt of the 19th Route Army, whose defence of Shanghai against the Japanese in 1932 resounded throughout the world. After the fighting around Shanghai in 1932, the 19th Route Army earned such a reputation that no one wanted them in their immediate neighborhood, and they on the contrary felt they had earned a whole province rather than half of Fukien, which was incapable of supporting them. In addition, they were in the main, Cantonese, and spoke an entirely different language from the people on whom they were quartered. The revolt gathered ground and The People's Revolutionary Government of China was proclaimed over-night. Difficulties developed immediately. The people of Fukien were completely out of sympathy with the new government, desertions took place among those who had been opposed to the venture from the first and then Chiang Kai-shek struck. Within two months the entire revolt collapsed and its leaders were on their way to Hongkong. The quick suppression of the revolt amply demonstrated the tremendous power that the possession of an efficient Air Force provides the Central Government.

Mr. Yorke is very much impressed with the character and greatness of Chiang Kai-shek. As Mr. Yorke puts it, "He is a man of deeds, not words." "He is a realist." He knew that the Chinese armies could not stop the Japanese from taking Manchuria and later Jehol, so he gracefully bowed before the storm and made the best of a bad bargain. As the initiator of the New Life Movement he has attempted to give the people a new interpretation of Confucian ideals in the light of present-day needs. His plans for the increased well-being of his countrymen—for the education of the peasants, for regulation of the grain market and the encouragement of cooperative societies—are far-sighted and offer the first signs of hope for the peasant farmer. Upon the well-being of the farmers depends the future of the nation. In large part due to Chiang Kai-shek, China is showing its first symptoms of political unity. Mr. Yorke's conclusions are that, "China is in such chaos that recovery can be neither speedy nor peaceful. Since her heritage is great and her stock vigorous, rejuvenation is certain. She will achieve it by adapting Western ideas of life to her peculiar environment. Unfortunately, no one can tell how long it will take."

D. D.

Poems That Show the Influence of Cathay and Catholicism

Dark Night, and Other Poems, by A. W. Simms Lee. Allenson and Company, Ltd., London, 1935.

The writer of this verse has done translations from Chinese poetry. In Chinese verse there is a mystic strain, an appreciation of nature and of the Infinite which has kept it alive for centuries. Now in this English poetry we notice the influence of two factors, Chinese poetry and the Roman Catholic faith. Two-thirds of the poems in this small volume have no special heading, but practically all of them may be placed under one of these two captions. As examples: "Autumn," "The Mountains," and "Parting," show the Chinese touch; "The Word was made Flesh," "Dark Night of the Soul," and "Christmas Thought" are cast in Catholic mould. A few poems, such as "Separation" show both influences.

The last third of the volume contains poems under the heading, "China." These are on Chinese subjects or are written definitely in the Chinese manner. The poem "To Tao" expresses the poet's Oriental yearning.

We enjoyed this book of poetry. We do not feel it a reviewer's role to pick poems apart. Poetry should never be dissected any more than gossamer and moonlight. There is feeling and restraint here; understanding and universal appeal. We commend the book to readers when in thoughtful mood.

A publisher's note tells us that the author now lives in Shanghai, but, unfortunately, the reviewer has no other facts about one who knows both China and the hearts of men.

A MOOD

I wonder: when we have gone down to Death,
Shall we then be so wonderfully wise?
Shall we receive, when fails the body's breath,
An unblurred vision to the Spirit's eyes?

Oh, if we do, and wander here again
Seeing so clear why men are bad or good,
How shall we bear such knowledge and such pain?
How we shall wish we had not understood!

April 16, 1936. G.B.S.

American Missionaries Who Spent Forty Years in Japan

Forty Happy Years in Japan, 1888-1928. By George P. Pierson and Ida G. Pierson. New York, Fleming H. Revell Co., 1936. 130 pages, index U.S. $1.25.

This book is an account of the work of two Presbyterian missionaries in the Hokkaido, the northernmost of the four large islands of Japan. Here in one of the richest areas of the empire, lavishly endowed with timber, minerals and farm lands, these two Americans worked among the Ainus and the Japanese. The variety of human appeal is to be foreseen in the heterogeneous groups of immigrant farmers, woodsmen, sailors, fishermen and merchants.

The book is built up of self-contained episodic chapters, The human interest chapters have been written with a sense of the dramatic, and individuals whose lives were touched by the Christian message of the Piersons are shown as real personalities. Other chapters showing the background of mission work in Japan and the missionary work remaining to be done are treated with more impersonality. F.M.R.

"Quarterly Review of Chinese Railways" Contains Much Valuable Information

The July 1 issue of the *Quarterly Reviews of Chinese Railways* published under the auspices of the Secretariat of Railways, Nanking, contains 113 pages of matter (with several photos) devoted to railway matters in China. The contents include: Translation of an address made by Chang Kia-ngau, Minister of Railways, to the staff of the Ministry, Dec. 23, 1925, in which he said that it was a sad truth that the greatest shortcoming of China's governmental machinery is the presence of factions and narrow localism, together with an elaborationof Mr. Chiang's remarks by Tseng Yang-fu, Political Vice Minister; and articles on the following subjects:—The Chinese Railways, by Jao Yih-chih; Rehabilitation of Railway Credit, by Khong Loy; The S. H. N. R. Completion Loan, by Chiche Chu; The Tientsin-Pukow Railway, by C. H. Yang; Railway Statistics, by Myrtle Ho Lee; Traffic and Operation, by P. L. Tan; Organized Purchasing, by S. L. Ouyang; the Canton-Hankow Railway, by H. H. Ling and Wing D. Wong; Personal Practice, by P. Y. Yao; the Chiaotung University, by S. T. Lee; and an article on Travelling Along the Nanking-Shanghai Railway.

A foreword gives the information that the total foreign bonded indebtness of the Chinese National Railways approximates today C. C. $725,300,000; these bonds are held mostly by foreign private investors and financial institutions. The article on the Canton-Hankow Railway by Messrs. Ling and Wong comments: "With the completion of the Canton-Hankow Railway, a new day will dawn upon the history of transportation in this country; all the conditions of life of the people will undoubtedly be fundamentally affected from every standpoint, industrially, economically, socially as well as politically."

"Central Bank of China Bulletin" Contains Articles on Currency and Smuggling

The June issue of the *Central Bank of China Bulletin* contains a discussion on "The Finishing Touches of China's Currency" by Chen Chin-tao, an article on Smuggling in North China by L. T. Chen, a discussion of the Government's Unbalanced Budget in Peiping by E. C. Ning, and an essay on Paper Money in China by E. Kann, in addition to other material with a financial angle.

The March issue of *Quarterly Bulletin of Chinese Bibliography*, printed by the National Library of Peiping, contains a survey of Chinese literature for 1934-1935, compiled by Pih Shu-t'ang. The extent of modern Chinese literature will probably surprise those who have not previously investigated the subject. The index of selected publications in Chinese and foreign languages covers 44 pages.

Edward Bing-Shuey Lee, whose book "Two Years of the Japan-China Undeclared War" received favorable comment in America and Europe as well as China, will shortly issue another volume entitled "Modern Canton." This work deals with the extraordinarily rapid development in the last few years of China's historic seat of revolution—a description of the expansion of Canton from an ancient walled city into a modern Asiatic metropolis with paved roads, running water, electric lights, automatic telephones and other public conveniences.

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Frank Murphy Discusses Textile Situation in Philippines With U. S. State Department

Frank Murphy, American High Commissioner for the Philippines, conferred with officials of the U.S. Department of State in Washington July 23 regarding the Japanese textile situation in the Islands. He said, however, that there would be no announcement at present regarding the trend of the discussions.

Japanese Claim Filipinos Penalize Their Sardines so as to Favor American Product

The Tokyo *Asahi* July 17 stated that the authorities of the Ministry of Agriculture and Forestry had decided to file a vigorous protest with the Government of the Philippines against the allegedly unfair restriction of Japanese marine products by the Philippine authorities. According to the Tokyo Ministry, the restriction of foreign-made marine products by the Philippines Commonwealth was giving a serious blow to the Japanese marine products industry. The Philippines Govt. says the restriction is a step to protect its own marine products industry. However, the latest action by the Philippines, the *Asahi* said, is regarded as a special measure to protect the American sardine at the expense of Japanese products, for up to several years before American-made tomato sardines had been patronized by the Filipinos but the advance of Japanese-made tomato sardines has ousted American products from the islands since 1934.

Radio Priest Sees Diaster for U.S. If Union Party Candidate Is Not Elected

A warning of dire events to follow if William J. Lemke, Union Party candidate for the Presidency of the United States, is not elected was voiced in a speech in Hankingson, N.D., July 26, by the Rev. Charles E. Coughlin, Detroit "radio priest."

The Most Rev. M. J. Gallagher, who visited Vatican City July 26, said that Rev. Coughlin had been a subject of discussion during a courtesy call which the bishop paid on the political adviser to the Pope. Bishop Gallagher reiterated previous statements defending Father Coughlin's radio addresses.

Squatter Miners Cause Trouble for Kailan Administration at Machiaokow

Additional troubles developed this week for the Kailan Mining Administration, which, as was mentioned in an editorial in *The Review* last week, had succumbed sufficiently to Japanese pressure to appoint a Japanese as an "adviser." For years squatter miners have been eking out a precarious living by digging coal from native pits in the vicinity of the Kailan mines. The Kailan Mining Administration, however, recently requested the police authorities to evict these native miners, on the ground that these native coal diggers infringed upon its mining franchise.

The most prominent of these squatter miners was one Cheng Yung, who had opened a number of pits of Machiaokow, the enterprise giving work to several thousand workingmen. When the authorities interfered, these workers, carrying with them fighting weapons, prevented the police force from coming near to their mines. The situation was very tense till July 25, when the authorities succeeded in putting Chen under arrest. The *Sin Wen Pao* published a report from Tientsin that these miners are planning to stage a revolt at the mines.

Customs Superintendents Changed About in General Reshuffle

A general reshuffle of Customs Superintendents for Shanghai, Amoy, Hangchow and Canton was announced by the Ministry of Finance July 28.

Chu Chang-nien, former Chinese Minister to Norway and Sweden, was appointed Customs Superintendent in Shanghai succeeding H. O. Tong, who was shifted to Canton as Salt Commissioner for Kwangtung and Kwangsi. Chow Pao-keng, Customs Superintendent in Canton, was relieved from his post. Tai En-sai, incumbent Customs Superintendent in Amoy, was transferred to Canton to succeed Mr. Chow. Yi Ting, Departmental Director of the Customs House at Changsha, was appointed Customs Superintendent in Amoy. The Changsha post left vacant by Mr. Yi is to be filled by Tang Yen, the present Customs Superintendent in Hangchow. Ho Yi-ming, Director of the Treasury Department of the Finance Ministry, was appointed Customs Superintendent in Hangchow. Li Tieh-chun, Chief Secretary of the Ministry of Finance, was transferred to become Director of the Treasury Department, succeeding Mr. Ho.

Death Occurs in Shanghai of Rev. T. C. Britton

The death occurred in Shanghai July 27 at the age of 74 of the Rev. Thomas C. Britton, who has been connected with the Southern Baptist Mission in China since his arrival in 1888 from North Carolina. He is survived by his widow, Nannie Sessions Britton and a son, Roswell Britton, Professor of Mathematics at New York University. Another son, Thomas Britton, whose death occurred several years ago, was head of the Asia Realty Co.

Death Occurs of Miss Ting Shu-ching, General Secretary of National Y.W.C.A.

The death occurred in Shanghai July 27 at the age of 48 of Miss Ting Shu-ching, General Secretary of the National Young Women's Christian Association. Miss Ting was born in Linching, Shantung. Her mother, a capable leader, was active in the American Board Mission Church in Linching. For her middle school work she went to Tungchow. After finishing middle school, Miss Ting attended Peking Union College for Women (now a part of Yenching University, Peiping) and was a member of its first graduating class. After college Miss Ting taught several years in Bridgeman Academy, Peking, then joined the staff of the Peking Y.W.C.A., having previously served as a member of its Board of Directors. Her first trip to America was made in 1919 when her time was spent in traveling for the American Board Mission and in getting acquainted with the Y.W.C.A. work there. Upon her return she became general secretary of the Peiping Association. In 1922, after the death of Grace Coppock, the general secretary of the National Y.W.C.A. Movement, the National Committee turned to Miss Ting as their unanimous choice as the new executive.

Governor-General Ugaki of Korea to Retire in October

Premier Hirota and Overseas Minister Nagata are planning to carry out a large-scale shakeup in the high official personnel of the colonial governments including the Governors-general of Korea and Formosa, Governors of Saghalien and the South Sea Mandated Islands in order to effect renovation in colonial administration, the Tokyo *Asahi* stated July 20. As a prelude to these shifts, General Ugaki, Governor-General of Korea, is expected formally to tender his resignation following the regular Army reshuffle in August. The indications are that by the latter part of August the Governor-General of Korea will be changed.

FOREIGNERS IN THE FAR EAST.

There are few men, or women either, who can continuously live in the Far East without sometimes getting rundown. For this reason there has always been a popular demand all over the East for that famous blood and nerve tonic, Dr. Williams' Pink Pills, throughout the past thirty or more years.

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The National City Bank of New York, Rates of Exchange

Shanghai, July 29, 1936

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Demand buying rate on America:	U.S. $1.00=Sh. $ 3.29
Demand selling rate on London:	£1.0.0=Sh. $16.81
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THE

Comacrib Industrial & Commercial Manual of China & Hongkong

The 1936 edition is in process of preparation and will be published in September of this year. Price $50.00. It will contain about 1000 pages and financial, historical and credit information on about 6,000 firms as well as about 1,000 of the latest audited Balance Sheets.

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The Commercial & Credit Information Bureau

Cables, "COMACRIB" Publishers Telephone 17131
118 Museum Road, Shanghai

Latest New York Stock Exchange Quotations

July 29, 1936

Stock Exchange— Business Done:-
Total Volume: 1,900,000 Shares

1936 High	1936 Low	Div. $ per sh.	STOCKS	Last Sale July 27	Last Sale July 28
18⅞	9⅝	0.10	Adams Express	13¼	13¼
136⅞	115⅝	4.00	American Can	135¼	133½
40⅝	29¼	0.60	Amer. Cyanamid "B"	35⅞	35⅞
9⅝	6½	—	American & For. Power	8	7⅝
43	29⅝	—	American & Foreign Pwr. $7 pfd.	39	39⅝
27⅝	18⅝	—	American Radiator	23⅞	23⅛
178	149½	9.00	American Tel. & Tel.	171½	171
104	88½	5.00	American Tobacco "B"	101½	101¼
26¼	19⅛	—	American Waterworks	26¼	26⅝
39⅜	28	0.25	Anaconda Copper	39⅜	38⅞
86⅝	59	2.00	Atchison, T. & S. Fe	85¼	85⅝
54⅛	27	—	Auburn	36⅛	34
24¼	15⅞	—	Baltimore & Ohio	21⅜	21⅜
62⅝	45⅝	—	Bethlehem Steel	57¼	57⅝
27⅛	16⅜	—	Boeing Airplane Co.,	27⅛	26⅝
16	10⅜	—	Canadian Pacific Railway	13	12⅝
183¼	92½	—	Case, J. I.	170¼	167
48⅝	34	1.40	Chase National Bank	48⅝	48⅝
85	59	3.00	Chesapeake Corp.	83	84½
68⅝	51	2.80	Chesapeake & Ohio	67⅜	67⅞
123⅝	85½	4.00	Chrysler	123⅝	122¼
23	14	0.40	Columbia Gas & Electric	23	23
24⅝	14¼	0.60	Coml. Solvents	14⅜	14⅜
5½	2¼	—	Commonwealth & Southern (ord.)	3¾	3¾
48¼	27¼	2.00	Consolinated Edison	43¼	43⅝
15¼	11½	0.60	Consolidated Oil	13⅜	13⅜
38½	28⅛	1.00	Continental Oil	32⅝	32
82	68½	3.00	Corn Products	71⅞	69⅝
75⅝	50⅝	0.75	Douglas Aircraft	73⅞	75¼
167	133	3.60	Du Pont de Nemours	167	167¼
26¼	15⅝	—	Electric Bond & Share	26¼	26⅝
48⅜	34½	1.00	General Electric	43⅜	44⅛
43	33⅝	1.80	General Foods	39⅝	38⅝
72¼	53⅞	2.00	General Motors	72¼	71⅝
50	32½	1.00	General Railway Signal	37½	38
21⅜	12⅞	0.60	Gold Dust	13½	13¼
31⅞	21⅝	—	Goodyear Tire & Rubber	24⅛	23⅝
76½	57¼	1.00	Humble Oil	69	69
54¼	43¼	1.00	Internation Nickel	51½	51¼
19¼	12	—	International Tel. & Tel.	14	13⅜
44⅜	28¼	1.00	Kennecott	43⅜	44⅝
54⅞	43	2.00	Loew's Inc.	52	51⅝
26½	21¼	1.20	Lorillard	24¾	24⅞
108	80⅜	1.00	Monsanto Ch mical	98	98½
46⅞	35⅝	0.20	Montgomery Ward	46⅞	46½
44⅝	31	1.00	National City Bank	44¾	44⅝
28¼	21	1.20	National Dairy Prods.	26¾	26⅜
33⅜	26¼	2.00	National Distillers	26¾	26⅝
14⅞	9⅝	0.60	National Power Lt.	12⅞	12⅝
42¼	27⅝	0.10	New York Central	41⅛	41
35⅛	23⅛	1.00	North American	35⅛	35
40⅞	30⅜	1.50	Pacific Gas & Electric	40¾	40½
58⅜	47⅝	2.40	Pacific Lighting	58⅜	57½
13	6⅞	0.10	Packard Motors	11¼	11
39	28¼	1.00	Pennsylvania Railroad	37⅝	37
49⅜	38⅛	1.00	Phillips Petroleum	45	45¼
48⅝	39	2.40	Public Serv. of N. J.	48⅝	47⅝
14⅛	9⅜	—	Radio Corporation of Amer.	12	12⅛
58⅝	50	3.00	Reynolds Tobacco "B"	55⅜	56
52	38¼	—	Schenley	39	38⅜
84	59⅝	2.00	Sears Roebuck	84	83½
17	12½	0.40	Socony-Vacuum	14⅝	14½
32¼	25	1.50	Southern California Edison	32¼	32½
41	23½	—	Southern Pacific	41	40½
18	14⅝	0.80	Standard Brands	15⅜	15⅝
9⅞	5⅛	—	Standard Gas & Electric	8	7⅞
70	51⅜	1.00	Standard Oil Co. of N. J.	64	64¼
73⅞	65	3.80	Sterling Products	73	73
38⅜	29	2.00	Texas Gulf Sulphur	35⅝	36
14⅝	11	0.30	Transamerica	13¼	13⅜
69¼	71⅝	2.00	Union Caride & Carbon	96	97¼
138¼	108½	6.00	Union Pacific	137	137⅜
32⅝	20⅝	—	United Aircraft (New)	27⅝	27½
21	13	—	United Airline Trans.	18⅜	18⅜
9¼	5⅜	—	United Corporation	8½	8⅜
19½	14⅜	1.00	United Gas Im rovement	17⅜	17⅞
59	33⅞	2.00	U.S. Indus. Alcohol	33⅛	31⅞
35	16⅜	—	U. S Rubber	30½	30¼
72⅜	46⅜	—	U. S. Steel	67½	67½
27¼	18¼	—	Vanadium	21½	21⅝
14⅝	9¼	—	Warner Bros. Pictures	11¼	11
141⅝	94½	1.75	Westinghouse Electric	141⅝	140¼

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